TEXAS BUSINESS REVIEW

A Monthly Summary of Business and Economic Conditions in Texas

BUREAU OF BUSINESS RESEARCH : THE UNIVERSITY OF TEXAS

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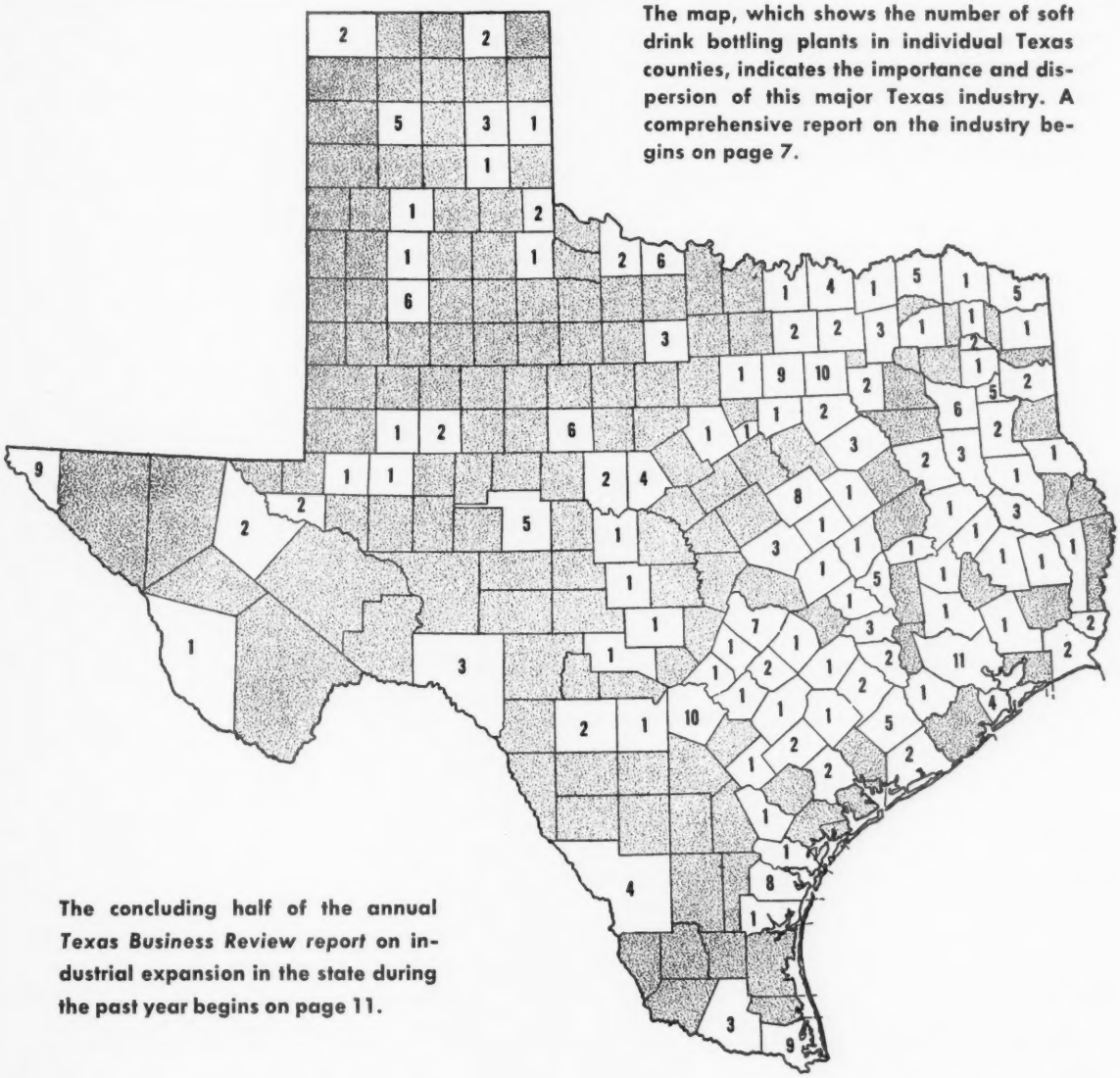
THE TEXAS SOFT DRINK BOTTLING INDUSTRY

The map, which shows the number of soft drink bottling plants in individual Texas counties, indicates the importance and dispersion of this major Texas industry. A comprehensive report on the industry begins on page 7.



The concluding half of the annual *Texas Business Review report* on industrial expansion in the state during the past year begins on page 11.

The Business Situation in Texas

By FRANCIS B. MAY

Business activity in Texas in January continued to maintain the fast pace set in December. The Index of Texas Business Activity stood at 210% of the 1947–49 average level in January, less than one-half of one percent below its value of 211 in December. The December value was the highest on record. January was the second highest month. The pre-recession peak was 205% in May 1957. Over-all business activity in the state has more than regained the recession losses, despite the drag exerted by some parts of the state's economy. The January index was 3% above January of 1958.

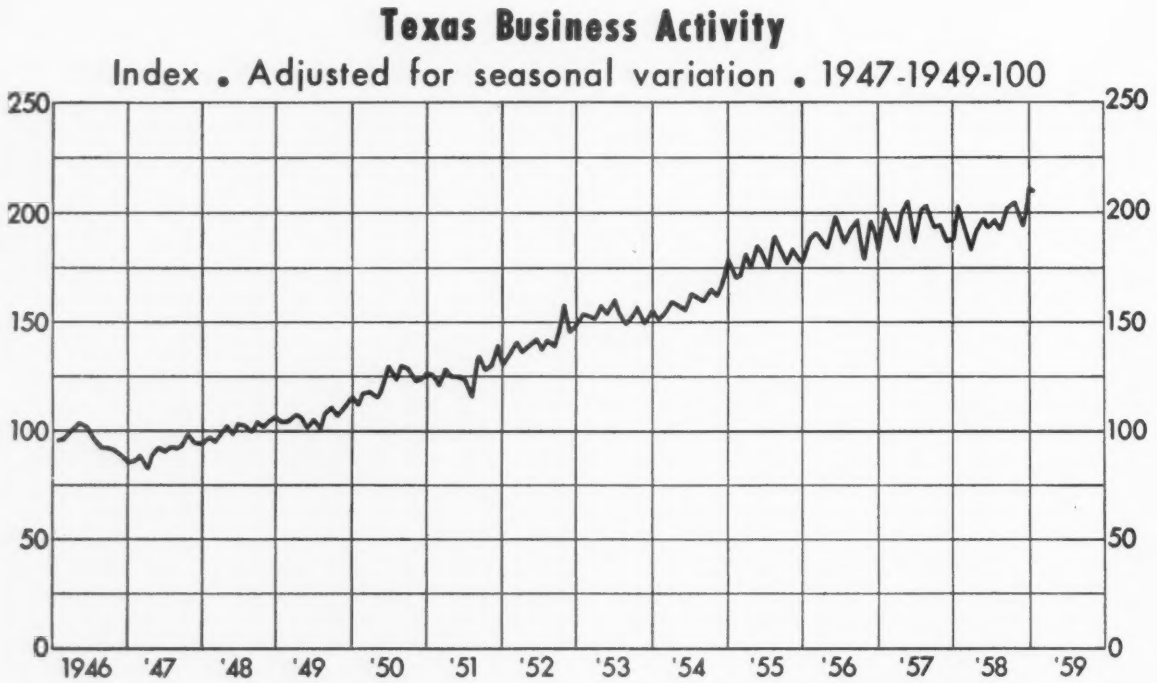
Miscellaneous freight carloadings showed a healthy 5% increase in January after adjustment for seasonal variation. The January volume of carloadings was 1% above January 1958. At 79% of the 1947–49 average rate of loadings, the index has a long way to go in order to regain its former status. It has not been above 100 since April of 1953. This low level of activity is generally true of the railroads all over the country, although there are a few exceptions. Generally, the railroads have been losing ground steadily to other transportation media.

The index of total electric power consumption in January was 2% above December, after seasonal adjustment. This improvement was due to sales increases in the markets for domestic, commercial, and industrial power consumption. Industrial power consumption increased 2%, following a 1% increase in December. Continued increase in industrial power consumption indicates a further rise in industrial activity. Industrial power consumption in January of last year was 3% higher than the current month. This discrepancy is due to the fact that industrial power consumption has not completely recovered its pre-recession level. The rate of activity in this area reached its cyclical trough in June of 1958, three months later than the general level of economic activity. It has shown an irregular rate of recovery from that low month.

Total retail sales in January were virtually unchanged from December. At 194% of the 1947–49 average, the seasonally adjusted index for January was almost the same as December 1958. It was 6% above January of last year.

Both durable and nondurable goods sales were maintained at the high level of December. Automotive stores, particularly automobile dealers, contributed substantially to the 11% increase in January over January 1958. At 14% above the January 1958 sales volume, automobile dealers had an outstanding month. Furniture and household appliance dealers sold 5% more than in January of last year. Lumber and building material dealers sold 8% more. The boom in residential construction is largely responsible for improved sales of furniture, household appliances, and building materials.

Most lines of consumer nondurables contributed to the 4% increase in January over the first month of 1958. Food, apparel, and general merchandise stores did well. Luxuries such as jewelry also maintained a good volume. Sales of luxury items are usually the first to feel the effects of a business decline and the last to improve in the upswing.



Personal income of the nation rose $2.4 billion to a record $362.3 billion annual rate in January. With income setting new highs, retail sales should continue at very favorable levels.

Crude petroleum production in January rose 2% above December, after seasonal adjustment. The number of producing days allowed by the Railroad Commission—twelve days—was the same in both months. January production increased primarily because of the increased number of wells. Another factor responsible for variations in output from month to month is that ordinarily only about 87.5% of the allowable is produced, with the percentage production fluctuating around this average. Eleven days production is the figure set for February. The March allowable is twelve days. With these allowables prevailing there should be a small monthly rise in output in February and March.

Domestic demand for petroleum in January was at an all-time high because of the extremely cold weather throughout large sections of the country and also because of reviving industrial demand as we move out of the recession. Demand for all oils in January was 11.4 million barrels a day, 10.4% higher than in January of 1958. Total domestic production of crude in January was 4.1% above January 1958. Texas production was 5% above January 1958. This welcome improvement in Texas petroleum production leaves the index well below levels of former years. Total U. S. imports of crude oil and refined products in January were 1.9 million barrels a day, up 6% over January of last year.

Crude oil runs to stills in January showed a healthy increase of 4% over December, after allowance is made for seasonal factors. The level was 9% above a year ago. A high rate of demand for heating oils was brought on by the subnormal January temperatures. Since it is impossible to make fuel oil without making gasoline, inventories of the latter commodity are rather high for this time of the year. This may lead to price wars again this spring. The high prices that fuel oil has been commanding should ease some of the pangs caused by weakening gasoline prices later this year.

Urban building permits issued in January were 3% below December, after allowing for seasonal factors. At 239% of the 1947–49 average the index was 25% above the year-ago level. The high rate of urban building activity throughout most of 1958 was one of the bright spots of the recession. Whether the pace set during the closing months of the year can be maintained is questionable. Nationally the rate of privately financed new nonfarm housing starts dropped 6% between December and January. However, both applications for FHA commitments and requests for VA appraisals rose between the two months. If new housing credit is supplied by the current Congress, the industry will continue to show good results. If not, the rate of new housing starts may decline. Federal, state, and local construction rose between December and January. This sector is likely to continue to rise. However, it constitutes slightly less than one-third of the total value of building.

Residential permits in January were down 2% from December after seasonal adjustment. At this level they were still 41% above the year-ago value. It is possible that savings that would ordinarily go into financing the capital expansion of business will be channeled into home construction. The level of investment in new plant and equipment this year is not expected to be much above the 1958 value of $30.5 billion. If this is the case, a lot of the money that would ordinarily be invested in corporate financing may go into home mortgages. More than 116,000 young Texans will "turn 21" in 1959. Marriages among this group should maintain a high level of demand for new homes and home furnishings.

Nonresidential permits in January were 9% below December, after adjustment for seasonal variation. This was a rate of activity 11% above January of last year. The recession had a greater effect on nonresidential than on residential building. Emergency Federal aid to the amount of $1.0 billion was granted to the home building industry early in 1958. No such aid was available to commercial builders. The mood of uncertainty induced by the reduced rate of business activity brought on a "wait-and-see" attitude. As business showed signs of a quick recovery, returning optimism brought a quick turn-about in the commercial building field.

SELECTED BAROMETERS OF TEXAS BUSINESS

Index	Jan 1959	Dec 1958	Jan 1958	Percent change: Jan 1959 from Dec 1958	Percent change: Jan 1959 from Jan 1958
Texas Business Activity	210	211	203	**	+ 3
Miscellaneous freight carloadings in S.W. district	79	75	78	+ 5	+ 1
Crude petroleum production	126*	124*	120	+ 2	+ 5
Crude oil runs to stills	147	142	135	+ 4	+ 9
Total electric power consumption	332*	324*	330	+ 2	+ 1
Industrial electric power consumption	341*	334*	352	+ 2	— 3
Bank debits	251	251	241	**	+ 4
Ordinary life insurance sales	404	413	387	— 2	+ 4
Total retail sales	194*	195r	.....	**	+ 6
Durable-goods sales	163*	163r	.....	**	+ 11
Nondurable-goods sales	210*	211r	.....	**	+ 4
Urban building permits issued	239*	247*	191	— 3	+ 25
Residential	308*	313*	218	— 2	+ 41
Nonresidential	167*	183*	150	— 9	+ 11

Adjusted for seasonal variation, except annual average and farm cash income.

* Preliminary.

r Revised.

** Change is less than one-half of one percent.

As we near the end of the first quarter of 1959, the outlook affords considerable grounds for optimism. Not all areas of the economy have completely recovered from the effects of the recession, but there is a general upward direction to nearly all important indicators. Those which are holding steady or giving ground slightly are still at high levels, and their most probable direction of movement is upward. There is nothing in the outlook for the rest of the year to cause any discouragement.

The one sector of the economy that is likely to cause concern from time to time is crude oil production. Although the index is moving upward now, it is still below its pre-recession and pre-Suez highs. The golden years of flush production and high demand in a market almost totally free from foreign competition lie behind us. In the future a crowding ocean of foreign production will pose a constant threat to domestic producers, particularly the largest producer, Texas. Weakening prices and curtailed production will result in the decline of exploration and discovery that could mean the end of the domestic industry.

TEXAS BUSINESS REVIEW

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Retail Trade:

JANUARY SALES 6% ABOVE A YEAR AGO

By TINA PIEDRAHITA

Dollar sales. January 1959 sales of Texas retail stores were an estimated $972.3 million, or 38% below December 1958 and 6% above January 1958. Durable goods sales ($286.3 million) were 12% below December 1958 but bettered January 1958 by 11%. Nondurable goods sales ($686.0 million) fell 45% from December 1958 but were 4% above January 1958 sales.

ESTIMATES OF TOTAL RETAIL SALES

(Unadjusted for seasonal variation)

Type of store	Jan 1959	Dec 1958	Percent change: Jan '59 from Dec '58	Percent change: Jan '59 from Jan '58
	(Millions of dollars)			
TOTAL	972.3	1,566.3	— 38	+ 6
Durable goods*	286.3	326.4	— 12	+ 11
Nondurable goods	686.0	1,239.9	— 45	+ 4

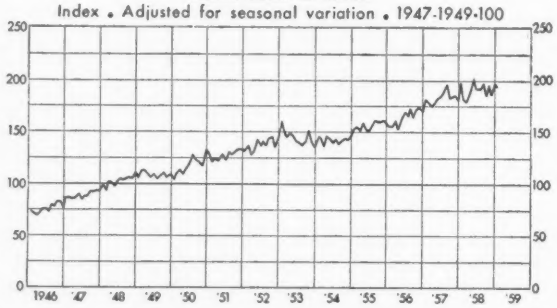
*Contains automotive stores, furniture stores, and lumber, building material, and hardware stores.

Based on January sales adjusted for seasonal factors, the estimate of total annual dollar retail sales for 1959 ($12.257 billion) is $22.3 million above sales of 1958.

January indexes. The preliminary January index of total retail sales in Texas (1947–49=100 and adjusted for seasonal variation) was 194, one point below the revised December 1958 index and two points above the average month for 1958. The durable goods index (163) remained unchanged from its December level but was three points above last year's average month. The nondurable goods index (210) slipped one point from its December value but was two points above the average month for 1958. Deflated for price changes, the January index of total Texas retail sales was 164, one point below the December deflated index.

Retail Sales in Texas

Index • Adjusted for seasonal variation • 1947-1949=100



Sales by store types. Not all retail lines shared in the 6% increase over sales of January 1958. Farm implement dealers dropped 10% from the same month a year ago, unclassified apparel stores showed a 3% decline, while sales by men's and boys' clothing stores remained unchanged. Best increases for the period were made by motor vehicle dealers and hardware stores (each +14%), drug stores and jewelry stores (each +10%), office, store, and

school supply dealers (+9%), lumber and building material dealers and shoe stores (each +8%), and furniture stores and department stores (each +7%).

Volume of department and apparel stores. Unadjusted sales of 252 Texas department and apparel stores fell 51% below December 1958 but showed a 5% increase over January 1958.

Department and apparel stores in 20 of the 29 reporting cities improved their sales over January 1958 while sales by similar stores in two cities (Cleburne and McAllen) remained unchanged. Highest increases were made by Temple (+27%), Abilene (+17%), Marshall (+16%), Plainview (+15%), San Angelo (+11%), and San Antonio (+10%). Declines from the same month last year in sales by department and apparel stores were reported by Bryan (—22%), Paris (—19%), Henderson (—18%), Edna (—11%), Beaumont (—7%), Texarkana (—4%), and Amarillo (—1%).

RETAIL SALES TRENDS BY KINDS OF BUSINESS

Source: Bureau of Business Research in cooperation with the Bureau of the Census, U. S. Department of Commerce

Kind of business	Number of reporting establishments	Percent change in sales: Jan 1959 from Dec 1958	Percent change in sales: Jan 1959 from Jan 1958
DURABLE GOODS			
Automotive stores	216	— 8	+ 13
Furniture and household appliance stores	145	— 30	+ 5
Lumber, building material, and and hardware stores*	270	— 9	+ 8
NONDURABLE GOODS			
Apparel	196	— 46	+ 4
Drug stores	99	— 24	+ 10
Eating and drinking places	90	— 4	+ 1
Food stores	288	— 1	+ 3
Gasoline and service stations	343	— 19	+ 4
General merchandise stores	170	— 56	+ 7
Other retail stores	224	— 35	+ 3

* Totals include kinds of business other than classification listed.

Sales in Texas cities. Of the 25 Texas cities reporting a large enough number of retailers to permit individual city listings, 19 cities reported January 1959 retail sales increases over January 1958. Plainview (+62%), Abilene (+42%), Texarkana (+24%), Corpus Christi (+20%), Fort Worth and Waco (each +17%), Lubbock (+15%), Amarillo (+13%), San Antonio (+12%), and Galveston (+11%) were the leaders in this comparison.

In spite of a reported percentage increase in total retail sales, several cities showed considerable variation in the various retail sales categories. Highest gains over January 1958 in automotive sales were made by Plainview (+90%), Galveston (+45%), Lubbock (+38%), Texarkana (+33%), and Corpus Christi (+26%), while decreases for the same line of business were reported by Port Arthur (—37%), Brownwood (—32%), Dallas (—12%), El Paso (—6%), Austin (—3%), and Beaumont (—2%). Increases in furniture and household appliance stores' sales ranged from +42% reported by Amarillo to +4% reported by Bryan, but sales in the category fell below January 1958 in Port Arthur (—28%), Dallas (—14%), Beaumont (—12%), San Antonio and Waco

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POSTAL RECEIPTS

City	Jan 10-Feb 6 1959	Dec 13-Jan 9 1959	Jan 11-Feb 7 1958	Percent change: Jan 10-Feb 6 1959 from Dec 13-Jan 9 '59	Percent change: Jan 10-Feb 6 1959 from Jan 11-Feb 7 '58
Alice	13,526	20,284	10,705	— 33	+ 26
Borger	14,320	.....	12,109	.....	+ 18
Brownfield	8,806	.....	5,876	.....	+ 50
Childress	4,814	8,437	3,453	— 43	+ 39
Cleburne	12,960	18,546	9,746	— 30	+ 33
Coleman	5,763	8,994	4,960	— 36	+ 16
Del Rio	12,535	20,469	8,669	— 39	+ 45
Denton	24,311	34,270	21,213	— 29	+ 15
Gainesville	13,907	.....	9,763	.....	+ 42
Gatesville	3,883	7,716	2,708	— 50	+ 43
Gilmer	3,585	6,007	4,060	— 40	+ 12
Graham	6,458	12,266	6,243	— 47	+ 3
Granbury	3,200	2,737	2,837	+ 17	+ 13
Hale Center	1,468	2,730	1,120	— 46	+ 31
Jasper	6,062	8,665	4,556	— 30	+ 33
Kenedy	3,640	4,985	2,460	— 27	+ 48
Kermit	7,130	11,200	6,170	— 36	+ 16
Kingsville	13,982	21,374	11,931	— 35	+ 17
Kirbyville	3,314	3,983	1,865	— 17	+ 78
La Grange	4,291	6,763	4,371	— 37	— 2
Levelland	7,081	12,591	5,612	— 44	+ 26
Littlefield	6,688	9,867	5,205	— 32	+ 28
McCamey	2,584	6,103	2,126	— 58	+ 22
Mission	8,825	12,633	6,744	— 30	+ 31
Navasota	4,142	6,540	3,263	— 37	+ 27
Odessa	64,937	96,422	54,029	— 33	+ 20
Palestine	11,492	20,436	9,096	— 44	+ 26
Pampa	22,984	33,115	17,299	— 31	+ 33
Pasadena	29,899	56,275	26,755	— 47	+ 12
Pecos	9,483	15,377	8,191	— 38	+ 16
Pittsburg	3,287	11,084	2,117	— 70	+ 55
Sinton	9,519	7,287	7,136	+ 31	+ 33
Taft	2,278	4,401	2,060	— 48	+ 11
Yoakum	9,176	10,840	8,164	— 15	+ 12

(each —6%), and Temple (—2%). Increases from +53% to +1% in sales by lumber, building material, and hardware stores were reported by Abilene, Amarillo, Austin, Beaumont, Dallas, El Paso, Fort Worth, Greenville, Paris, San Antonio, and Sherman, while decreases ranging from —24% to —2% were reported by Corpus Christi, Houston, San Angelo, Temple, Victoria, and Wichita Falls.

Credit and collection ratios. The ratio of January credit sales to total net sales during the month in 58 Texas department and apparel stores was 67.6%, 0.3 point above December 1958 and unchanged from January 1958. Dallas (80.8%), San Antonio (66.5%), Galveston (65.0%), and Austin (64.5%) reported highest credit sales. By type of store, dry goods and apparel stores (74.0%) and men's clothing stores (69.9%) reported the highest ratio of credit sales.

CREDIT RATIOS IN DEPARTMENT AND APPAREL STORES

Classification	Number of reporting stores	Credit ratios*		Collection ratios**	
		Jan 1959	Jan 1958	Jan 1959	Jan 1958
ALL STORES	58	67.6	67.6	38.9	38.3
BY CITIES					
Austin	6	64.5	65.1	52.1	50.0
Cleburne	3	34.5	35.0	47.5	47.9
Dallas	5	80.8	81.1	46.6	48.3
El Paso	3	55.3	56.1	31.2	31.6
Galveston	4	65.0	64.2	47.8	46.1
Houston	3	63.7	63.2	33.6	31.7
San Antonio	3	66.5	63.9	49.7	46.3
Waco	4	56.4	59.2	40.4	37.9
BY TYPE OF STORE					
Department stores (over $1 million)	16	69.1	69.4	38.0	37.1
Department stores (under $1 million)	17	48.8	46.3	43.2	41.8
Dry goods and apparel stores	5	74.0	73.3	58.4	58.1
Women's specialty shops	13	62.3	61.1	41.7	42.2
Men's clothing stores	7	69.9	70.3	41.3	46.6
BY VOLUME OF NET SALES					
Over $1,500,000	19	68.7	68.7	38.6	38.1
$500,000 to $1,500,000	13	57.8	57.3	46.2	43.7
$250,000 to $500,000	12	54.7	53.3	42.0	43.5
Less than $25,000	14	47.2	50.9	40.8	41.7

* Credit sales as a percent of net sales.

** Collections during the month as a percent of accounts unpaid on the first of the month.

The ratio of collections during the month of January to accounts unpaid at the first of the month was 38.9%, 1.4 points above December 1958 and 0.6 point above January 1958. Highest collection ratios were made by Austin (52.1%), San Antonio (49.7%), Galveston (47.8%), and Cleburne (47.5%). By type of store, dry goods and apparel stores (58.4%) and department stores with sales under $1 million (43.2%) were the leaders. Improvements over 1958 collections were reported by Austin, Galveston, Houston, San Antonio, and Waco. Improvements in collection ratios were also reported by department stores and by dry goods and apparel stores.

Secondary trade indicators. Total advertising linage in 22 Texas newspapers fell 20% below December 1958 but remained unchanged from January 1958. Twelve newspapers reported more linage this January than January a year ago.

Of 79 Texas cities reporting postal receipts, all but two cities reported increases in the January 10–February 6, period over January 11–February 7, 1958.

ESTIMATES OF NONAGRICULTURAL EMPLOYMENT

Source: Texas Employment Commission in cooperation with the Bureau of Labor Statistics, U. S. Department of Labor

Industry	Employment (thous)			Percent change	
	Jan* 1959	Dec† 1958	Jan 1958	Jan 1959 from Dec 1958	Jan 1959 from Jan 1958
TOTAL NONAGRICULTURAL	2,405.3	2,467.1	2,390.8	— 3	+ 1
MANUFACTURING	475.5	478.9	486.9	— 1	— 2
Durable Goods	225.0	227.6	235.6	— 1	— 4
Ordnance	1.7	1.6	1.5	+ 6	+ 13
Lumber and wood products	19.5	19.3	18.4	+ 1	+ 6
Furniture & fixtures	10.9	10.7	10.1	+ 2	+ 8
Stone, clay, and glass products	22.7	23.0	22.7	— 1	+ 10
Primary metals	22.2	21.9	25.3	+ 1	— 12
Fabricated metal products	26.9	26.9	30.1	**	— 11
Machinery (except electrical)	38.1	37.8	40.2	+ 1	— 5
Electrical equipment and machinery	12.2	12.2	11.6	**	+ 5
Transportation equipment	61.3	65.0	68.7	— 6	— 11
Other durable goods	9.5	9.2	9.0	+ 3	+ 6
Non-Durable Goods	250.5	250.7	251.3	**	**
Food	78.2	77.9	77.5	**	+ 1
Textile mill products	7.0	6.9	6.8	+ 1	+ 3
Apparel	32.7	32.6	31.7	**	+ 3
Paper and allied products	9.2	9.2	9.0	**	+ 2
Printing and publishing	27.8	27.9	27.9	**	**
Chemical and allied products	40.9	41.2	42.9	— 1	— 5
Petroleum products	45.3	45.6	46.9	— 1	— 3
Leather and leather products	3.7	3.8	3.4	— 3	+ 9
Other non-durable goods	5.7	5.6	5.2	+ 2	+ 10
NONMANUFACTURING	1,929.8	1,988.8	1,903.9	— 3	+ 1
Mining	123.2	124.8	133.0	— 1	— 7
Petroleum and natural gas	116.2	117.8	126.0	— 1	— 8
Metal, coal and other mining	7.0	7.0	7.0	**	**
Contract construction	164.3	167.5	155.0	— 2	+ 6
Transportation and utilities	223.2	224.7	228.2	— 1	— 2
Interstate railroads	42.8	43.6	46.2	— 2	— 7
Other transportation	100.2	100.9	100.9	— 1	— 1
Telephone and telegraph	38.6	38.7	39.9	**	— 3
Public utilities	41.6	41.5	41.2	**	+ 1
Government	418.0	426.5	399.2	— 2	+ 5
Trade	609.0	648.6	602.7	— 6	+ 1
Wholesale trade	165.7	166.9	166.8	— 1	— 1
Retail trade	443.3	481.7	435.9	— 8	+ 2
Building materials-hardware	35.4	35.4	33.1	**	+ 7
General merchandise	78.1	105.2	76.9	— 26	+ 2
Food and liquor stores	71.8	73.3	69.8	— 2	+ 3
Automotive stores	79.4	79.6	80.3	**	— 1
Apparel stores	27.9	35.9	29.2	— 22	— 4
Other retail trade	150.7	152.3	146.6	— 1	+ 3
Finance, insurance and real estate	112.9	113.5	110.5	— 1	+ 2
Bank and trust companies	29.0	29.2	28.1	— 1	+ 3
Insurance	48.3	48.7	47.4	— 1	+ 2
Real estate and finance	35.6	35.6	35.0	**	+ 2
Service and miscellaneous	279.2	283.2	275.3	— 1	+ 1
Hotels and lodging places	25.8	25.6	25.7	+ 1	**
Laundries and cleaners	35.5	35.6	35.8	**	— 1
Other service and miscellaneous	217.9	222.0	213.8	— 2	+ 2

* Preliminary.

**Change is less than one-half of one percent.

†Revised.

THE TEXAS SOFT DRINK BOTTLING INDUSTRY

By J. CONRAD DUNAGAN*

More than half a million times each week the salesmen of one manufacturing industry in Texas call upon their retail dealers in stores, schools and service stations, and in factories, offices and restaurants. Probably no other product is offered for sale in so many places in Texas as bottled soft drinks, and probably no other enterprise which people commonly regard as being a manufacturing plant is more widely dispersed throughout the state. And among the single industry sub-headings in the U.S. Census of Manufactures of 1954, only job and news printing and local planing mills listed more individual Texas plants than the bottled soft drink classification.

The Texas bottling business pays more than twenty million dollars in annual payroll (not counting proprietors), and its annual purchases of more than thirty million dollars are mostly from other Texas manufacturers. However, soft drink bottlers sometimes get the feeling that their industry is not as appreciated as the newer and more glamorous industries.

Texas bottling plants have been through a prolonged period of belt tightening in recent years. They have seen the cost of everything they buy increase steadily during the postwar period. Meanwhile, soft drink prices have risen only moderately. In the face of diminishing or disappearing profit margins, bottlers have made great efforts to keep their prices as low as possible in order that their product might be within the means of as many people as possible, including the youngsters who are among their best customers. In addition to the internal problem which the cost-price squeeze has made for them, they are confronted by increasing competition from without in the forms of powders, pellets, and pills, canned ades, syrups and concentrates, as well as more widely-consumed beverages such as coffee and tea. Soft drink bottlers sometimes try to point out to grocers and consumers that most of these competitive products contribute little or nothing in the way of local taxes, employment or industry to most Texas towns and cities. In recent years another form of competition for the Texas soft drink market has come partially from within and partially from without the state—soft drinks in cans, both carbonated and still. Besides these, the latest *Directory of Texas Manufacturers* (published by the Bureau of Business Research) lists 35 dairies which market soft drinks in the dairies' usual glass or paper containers. And this does not include those which merely sell flavored milk —which is still another competitor.

The bottling industry in Texas, as in other states, suffers from lack of public knowledge of its peculiar nature and character. Varying degrees of misconception, or lack of information, may range from a housewife's idea that all popular soft drinks are manufactured by branches of giant national corporations[1] to an opinion by a business man who knows that soft drink plants in Texas are about 98% owned by local people, but who believes that a soft drink bottling plant (particularly one holding some well-known franchise) is a bird's nest on the ground—simple, extremely profitable, and requiring only a small investment. The federal government once entered upon a costly (to the industry) experiment based upon these premises. In order to understand the wide prevalence and the origin of these and other popular misconceptions about the soft drink business, one needs to look at the history of the industry.

History

The conception, birth and infancy of Texas as a State in the Union and of the soft drink business as an American industry were remarkably parallel.

Prior to 1800, Anglo-Americans knew little of Texas; its virgin territory produced little of value and, except to the few Spaniards and Indians who lived there, it was of little interest to anyone for its own sake. Prior to 1800, there were no carbonated waters except for a few natural springs and artificially carbonated waters made in a few laboratory experiments, notably by Dr. Joseph Priestley in London in 1772. The natural springs of Europe were well known there for the tonic properties of their waters, and by about 1800 artificially carbonated waters were being commercially produced in minute quantities in England.

At about the turn of the century, Americans began to venture into Texas to explore and eventually to colonize the territory. At about the same time American druggists who, perhaps, had followed the method set forth by Priestley in his pamphlet "Direction of Impregnating Water with Fixed Air; In Order to Communicate to It the Peculiar Spirit and Virtues of Pyrmount, and Other Mineral Waters of a Similar Nature," moved one step closer toward the soft drink industry as we know it today—they added flavoring and sweetening ingredients.

By 1835 Texas had grown sufficiently to challenge Mexico and to enter into a war for its independence, which it won the following year. By 1835 the sale of carbonated beverages, or soft drinks, from the soda fountains had grown to such an extent that bottling operations were started in the northeastern part of the United States.

Texas became a state in 1845, but its population was not tabulated by the United States Census until 1850. Meanwhile, the soft drink industry had been developing, but it was not until 1850 that the United States Census reported

* President, Monahans Coca-Cola Bottling Co., and past President, Texas State Bottlers' Association.

[1] Often the well-known brand name associated with the local bottling plant causes people to identify it as a branch of one of the giant corporations of American industry. Actually, among the 5,000 bottling plants in the country, almost all of them are owned and managed independently of the national firms which provide the proprietary flavors used in the production of soft drinks, such as Coca-Cola, Pepsi-Cola, Seven-Up, Dr. Pepper and Nehi.

its statistics. At that time there were 64 bottling establishments reported in the United States, with total capital investment of $228,650 and annual production of $760,489. We have no record of a bottling plant in Texas at that time, and it is very doubtful that one could have existed so far from "civilization."[2]

In pre-adolescence Texas' population grew from 212,592 in 1850 to 3,048,710 in 1900; the soft drink industry of the United States increased from 64 establishments in 1849 to 2,763 in 1900. However, its significance as an industry of economic importance was only beginning, for the entire output of American bottled soft drinks was only 930 million bottles, or 12.2 bottles per capita, in 1899. During the decade preceding the entrance of the twentieth century, two developments occurred which were to profoundly affect and accelerate the course of the industry—the crown cap and a glass-blowing machine were patented. Prior to these inventions, bottles were blown by mouth and hand and were sealed by a rubber and wire valve or a similar device.[3]

In 1900 Texas' population was 4.01% of the national total, and the bottling plants in Texas that year (139) accounted for 5.03% of the total number of such plants in the United States. However, Texas plants were smaller, accounting for only 2.6% of the nation's soft drink output. The average annual sales per Texas plant were $4,650 vs. $8,422 for the United States; average investments $3,604 vs. $7,140 for the United States; and 1.7 employees vs. 3.2 in all United States plants.[4]

It was in 1899 that the first important step was made in a development which was to become one of the most important factors in the bottling business. The Coca-Cola Company granted rights to bottle and sell its product in most of the continental United States. This contract was to become popularly known as a "franchise." Prior to that time Hires Root Beer had been offered to bottlers, and one Mississippi bottler had bottled and sold Coca-Cola in a local area.

During the period of Texas' adolescence, from 1900 to 1930, its economy was marked by extremely rapid growth in agriculture and in petroleum extraction. During the same three decades, the bottling industry in America was enjoying unprecedented growth. The value of its production between 1899 and 1929 increased almost ten fold, and per capita consumption throughout the United States rose from 12.2 to 53.1 bottles per annum.

The number of bottling plants in the nation reached an all-time high in 1929 of 7,920. Although Texas at that time had only 4.2% of the nation's population, the state had 6.3% of the bottling plants, outranked only by Pennsylvania and New York. Texans had entered the bottling business in typical adolescent attitude—with more courage than judgment, more hope than wisdom. Perhaps it was only part of the attitude of the times.

[2] The census report of 1850 indicated only one plant in Chicago. At that time most of the industry was concentrated near the northeastern seaboard.

[3] The opening of such a bottle was usually accomplished by striking the protruding wire loop with the palm of the hand, forcing the rubber stopper down into the bottle below the neck and producing a loud "pop"—hence the popular nickname for the beverage.

[4] Texas' 139 plants in 1900 amounted to 47% of today's 295 plants. The U.S. total of 2,763 plants was 55% of the approximately 5,000 in the U.S. today.

Depression and Prosperity

There has been a mistaken idea circulating in recent years to the effect that the soft drink industry has proved to be "depression-proof." The facts are that the value of bottled soft drink production in the United States fell from $214,322,238 in 1929 to a low of $120,671,139 in 1932. Many plants went out of business, and others hung on with only a prayer and a hope. The number of plants declined steadily until 1936, reaching a low of 6,035 in that year. The remarkable fact of the situation, however (giving rise to the depression-proof theory), was that the upturn in volume of sales of soft drinks occurred three years earlier, in 1933, and continued strongly upward, passing the industry's own 1929 high by 1936 and increasing from a low point of $120,671,139 in 1932 to $553,879,040 in 1941, and increase of 360% in ten years! These were indeed the

NUMBER OF SOFT DRINK BOTTLING PLANTS, UNITED STATES AND TEXAS*

Year	United States	Texas
1939	6,155	340
1940	6,118	348
1941	6,309	355
1942	6,324	353
1943	6,061	350
1944	5,922	360
1945	5,824	395
1946	5,834	438
1947	6,214	456
1948	6,803	470
1949	6,907	416
1950	6,662	396
1951	6,383	376
1952	6,172	357
1953	5,905	342
1954	5,625	320
1955	5,469	314
1956	5,218	303
1957	5,200**	304
1958	5,000**	295

* As enumerated by the American Bottlers of Carbonated Beverages and the Texas State Bottlers Association. Totals are greater than those enumerated by the U.S. Census because the smallest plants are not required to report to the latter.

** Based on preliminary estimates of the American Bottlers of Carbonated Beverages.

golden years for the soft drink industry, and its unusual profitability developed to a considerable extent because of the coinage structure of the United States government, to some extent through improved technology in the soft drink business, and partly through promotional efforts in the industry. In plants with a well-established drink, high ratios of profits to investment were often made during some of these few years. The reason for this temporary and unprecedented rise in profits was that most soft drinks were sold in the cold bottle at 5¢ each. Few additional consumers would have been attracted at 4¢ or 3¢. The dealer preferred the 5¢ price, and at prevailing wholesale prices (80¢ or less per case of 24), he had an attractive margin of profit at the nickel price. With each new labor-saving, expense-reducing device which evolved for the bottling industry, a corresponding increase in profit was possible for the bottler. Part of the profits were plowed back into the business in the form of increased promotion and advertising, which paid off handsomely in increased sales.

By the 1920's it had become evident to many bottlers that the franchise system had many desirable features. The

franchise company, operating on a national basis, could do certain things beyond the reach of local bottlers, such as national advertising and the development of sales and production techniques. Furthermore, there was much to be gained by consumer familiarity with the product in adjacent areas. Nehi was started in 1924; Dr. Pepper offered franchises in 1926; Seven-Up was introduced in 1928; Pepsi-Cola started franchise operations in 1934; Royal Crown Cola was introduced in 1935.

It was in 1934 and 1935 that the 12 oz. bottle ("twice as much for a nickel") was introduced on a national scale and during the next five or six years made considerable headway. Economic conditions and commodity prices were such that the ingredients' cost could be doubled and still leave a margin of profit. By the census of 1939, sales of the 12 oz. bottle had expanded to 25% of the national output of bottled soft drinks.[5]

Wartime and Maturity

During the decade 1940 to 1950, Texas, like its young soldiers, was achieving an accelerated early maturity deriving from the exigencies of war. Manufacturing rapidly became the third and completing leg of the tripod supporting the Texas economy, joining with agriculture and mineral extraction. With this industrial shift came radical changes in the state's population distribution. The bottling business was also getting ready for radical changes. It was to prove to be no exception to the trend in manufacturing industries toward larger, more highly mechanized, and more efficient (lower-cost-of-production) plants, and wartime developments provided conditions which stepped up this trend in the postwar years.

No census was taken during the years of World War II, but the national association of the soft drink industry continued to collect reports from many bottling plants throughout the country, and, on the basis of these reports, concluded that the total output of the industry fairly well held its own during the war. This was made possible in large measure by the armed forces, whose authorities considered bottled soft drinks "essential to the morale" of men in the services—often in training in hot climates far from their homes. The rationing of sugar and sugar-containing products to the civilian population caused a tremendous pent-up demand for soft drinks, and this artificial shortage brought about a misconception on the part of a great many people that there were quick riches to be made in the soft drink business in the immediate postwar era. Well over 1,000 new bottling plants went into business in the United States between 1946 and 1949! The number of bottling plants in Texas, contrary to the general trend, increased steadily during the war years, and between 1942 and 1948 the number of plants in Texas rose from 353 to 470, an increase of 33%. With only 5% of the nation's population, Texas had 7% of its bottling plants.[6]

From an industry which had begun in small shops operated by hand and foot power, the bottling business has evolved into one in which the most efficient plants are those in which the bottles are never touched by human hands—from the time the bottles in their wooden cases are unloaded by motorized forklifts from the route trucks where they lie stacked on wooden pallets, while they are mechanically removed from their cases, passed through several solutions of hot, alkaline, sterilizing water, and while they are scrubbed, rinsed, filled, crowned, inspected by "electric-eye," and finally placed back into their cases and onto their wooden pallets—no hand need touch them except to remove defective bottles or to adjust the machinery from time to time.

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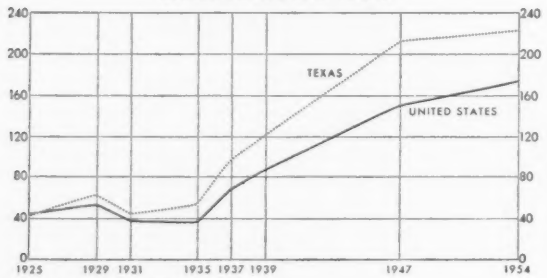
[5] Texas bottlers have long sold a much larger percentage of their soft drinks in the "small" (6 oz. or 7 oz.) bottle than have the bottlers of the nation as a whole. At the time of the 1939 Census of Manufactures (the last one showing production in bottles of various sizes by states) Texas bottlers were putting 71.5% of their carbonated soft drinks into small (6 oz. to 7 oz.) bottles, while in the nation as a whole this size accounted for only 57.3% of the case output. Wartime shortages caused the national trend to revert toward the small bottle and in 1945 the annual survey by the national soft drink association (American Bottlers of Carbonated Beverages) showed 72.2% of soft drinks being sold in the small (6- and 7-oz.) bottle. After the close of the war, the national trend toward a larger bottle re-asserted itself, and, by the time of the census of 1947, the percentage of sales in the small bottle was down to 54.9%. In Texas, however, the small bottle habit was strong, and although there are no census figures to indicate sales of various bottle size, a survey of consumer preferences released in 1954 by the A.B.C.B. revealed that 65% of the people in the South showed a preference for the small bottle. Since the time of the 1954 census, there has been in Texas a sharply upward trend toward the medium or king-size bottle (which is defined as 10 oz. or 12 oz.). A survey taken in 1958 by the Texas Bottlers Association revealed that, for the first time in Texas history, there were more bottlers producing the king-size bottle than the small or regular size.

The so-called "quart" size bottle, ranging from 20 oz. to 32 oz., has never made much headway in Texas. In 1954, of all bottled soft drinks sold in the United States, 11.2% were this "quart" size. In 1950 the Bureau of Advertising of the American Newspaper Publishers Association released a survey of consumer preferences which indicated that in the South Central States (which Texas most nearly resembles in soft drink preferences) only 1% were in a habit of purchasing the quart size bottle, and this was confined almost entirely to ginger ale and sparkling water. An A.B.C.B. consumer survey made in 1954 indicated that 4% of the people in the South (which included Texas) purchased the quart size for *home* use. This would mean that the overall consumption of quarts could scarcely be over about 2%. However, since 1954 there have been a number of Texas bottlers who have introduced the quart package, and it is likely that the percentage had grown to between 3% and 4% throughout the state by 1958. Texas bottlers handling the quart size report no very definite trend in the consumption of this size package at the present time.

[6] The war ended in 1945, but sugar rationing was continued for a full two years after the war's end. In the meantime, the Federal Government began a program of helping many of the returning veterans to get started in a small business of their own. Nothing looked simpler than the bottling of soft drinks. One bought a few pieces of relatively inexpensive machinery, selected a name for your product, bought some bottles, cases and a few flavoring ingredients, sent out a truck to supply the ready demand and presto—the profits rolled in! In order to give these veterans a head start, the government granted each of them a liberal quota of sugar (for a small plant), meanwhile continuing to restrict the supply to other bottlers and other industrial users. And their notion proved exactly true—as long as the government restricted the output, and therefore restricted the normal intensely competitive conditions prevailing in the industry. It was ironic that it was mostly the cynical among the veterans who profited from this idealistic attempt of the government to create hundreds of new small businesses for its veterans. The cynical recognized the situation for what it was—they got into the business with the cheapest second-hand machinery available, manufactured as cheaply as possible, reaped the golden harvest while the government gave them sugar, and, when normal competition returned, they got out as quickly as possible with their profits. The idealistic among the veterans remained as long as possible and finally gave up the struggle after bitter disillusionment. This was not the universal pattern, for a few of the G.I.'s made good in the bottling business, but the vast majority wasted years in the effort.

Of course, such mechanical marvels required sizable investments, perhaps a minimum of $100,000 for the smallest plant even approaching maximum efficiency, but needing a total investment of at least $250,000 in order to carry out its complete production and sales activities.[7] In addition to

PER CAPITA CONSUMPTION OF BOTTLED SOFT DRINKS
UNITED STATES AND TEXAS



SOURCE: U.S. Census of Manufactures, computations by American Bottlers of Carbonated Beverages

a plant, a fleet of trucks and working capital, most bottlers today find it necessary to own or finance the sale of part of the estimated 780,000 automatic coin-operated soft drink vending machines which account for about 20% of total sales in the United States. While a quarter of a million dollars seems a small investment, as manufacturing industries go today, it is revolutionary in comparison to prewar 1939 when the *total sales* of an average bottling plant in the United States amounted to $81,212[8] and total investment in bottling business was often less than $20,000.

[7] "If you bottlers sell soft drinks to retail at 5¢ and still make a profit at today's higher costs, you must have been really getting rich in the prewar period!" This remark has been heard by bottlers throughout Texas from time to time since the spiral of inflation which followed World War II brought higher prices for nearly everything in common consumption. Like many quick and easy assumptions which the casual observer is apt to make concerning any competitive enterprise, this one was an oversimplified conclusion which contains some truth and considerable unwarranted speculation.

It was undoubtedly true that there was a period immediately prior to the war during which the rate of return on investment in the bottling business was excellent for those plants which had the most efficient production, distribution, and administration, and it is also true that average profits in the bottling industry in Texas today are much lower than in the prewar era. But, concurrent with this reduction in profit-making, there have been other changes which enabled bottlers to defer price increases far longer than they ever would have dared to hope had they known in advance that the price of nearly everything which they buy would double within a ten-year period. Changes similar to those which have occurred in other manufacturing industries are greater mechanization and improved transportation. A typical production line operating at 80 bottles per minute used seven employees, including handling of the syrup and stock. In this same plant today nine employees can operate a line producing 300 bottles per minute. The development and widespread usage of certain types of labor-saving machinery, mainly during the past ten years, have included decasers (machines to remove bottles from the wooden cases), "electric-eye" full-bottle inspection machines, case packers (to place filled bottles into cases), and fork-lift trucks (for moving and stacking wooden pallets containing 50 cases per pallet). A "transport" truck used in stocking warehouses prewar might haul 500 cases and require ten hours of labor for manual loading, unloading and driving. Today, one driver using pallets, fork lift for loading and unloading, and today's trucks and highways can haul two loads of 980 cases each in one eight-hour day, plus an equal number of returning empty bottles.

[8] Sales per plant of $81,212 during 1939 represented the mean. The median was probably much lower, perhaps less than $50,000.

Dispersion

Despite the trend toward larger plants, the bottling industry will, within the foreseeable future, continue to be among the most widely dispersed of all manufacturing industries. Because of relatively large bulk in relation to price, soft drinks in bottles cannot be economically transported over long distances as are some other manufactured products. Among the top 40 industries (in total value of product) in the nation as a whole, reported by the United States Census of 1939, only one (commercial job printing) had a lower value per establishment than soft drink bottling plants, with its average sales of $81,212. The average (mean) output per plant in the United States as of the 1954 census was $239,732 (but the median was still well below the level needed for the most efficient production and distribution). The average plant in Texas produced drinks valued at $243,355, and in terms of the number of cases produced the average Texas plant exceeded the national average by a larger margin than the dollar difference would indicate, because the Texas average was lower—89¢ (per case of 24 bottles) vs. 99¢ average through the United States as a whole. At the 1954 census, only printing and publishing among the manufacturing industries in Texas had as wide a dispersal among Texas counties as the food industries. And among the sub-headings of the food industries only bread and related products even approached the degree of dispersion among the soft drink bottling plants.[9] It has been said that this dispersal of bottling plants may prove invaluable to the defense of the country in the event of atomic attack, because practically every bottling plant is today equipped with water treating, filtering and purifying equipment. In addition, the *carbonated* water inhibits the growth of bacteria in the bottle. No disease epidemic has ever been traced to bottled, carbonated, soft drinks. In the event of catastrophe, bottled products might constitute the only safe supply of drinkable fluid.

(To be concluded in the April issue)

[9] Within the state of Texas bottling plants are usually so located as to serve fairly well-defined marketing areas, which usually have a central city as a marketing center. However, the number of plants in relation to both square miles of area served and population served varies widely. It is obvious that one might expect to find more square miles per plant in sparsely settled west and south Texas than in the more thickly populated east and northeast Texas. On the other hand, the more sparsely settled areas sometimes contain more population per plant than in the older areas having greater population density.

A recent survey made for the Texas State Bottlers' Association indicates that the number of square miles per plant, within definite marketing areas, varies from a low of 228 square miles per bottling plant in the Dallas area, to a high of 4,400 square miles per plant in the sprawling Permian Basin-Big Bend area, which extends (as far as bottling plants are concerned) from Big Spring to Marfa. Population per plant varies from a low of 11,120 in the Childress area to a high of 75,061 in the Houston area with the state average being 30,215 people per plant. Total retail sales within these areas likewise varied from a low of $9,844,000 per plant in the Childress area to a high of $92,046,000 in the Houston area, with $33,362,000 being the average for the state.

With such a high variation in sales opportunity per plant and the great differences in cost of distribution because of the mileage involved, it might be expected that there would be great variation in wholesale price level among the plants in Texas, and this expectation would be correct. However, the prices of the industry, composed as it is of a large number of small and fiercely independent business men, do not always follow the pattern which would be indicated by pure economic considerations.

Texas Industrial Expansion, 1958

By ROBERT H. DRENNER

Part II of the annual Texas Business Review report on industrial expansion and the industrial outlook

FOOD PROCESSING

In terms of employment food processing is by far the largest manufacturing employer in Texas. The Texas Employment Commission's estimate of the state's January 1959 labor force showed food processing as employing 78,200 persons, up 700 from the same month last year and almost 30% greater than the second-largest manufacturing employer (transportation equipment, followed in order by petroleum products manufacture and chemicals).

Texas population growth has prompted a steady expansion of foods industries in the state. The rapid rate of urbanization is especially evidenced by frequent announcements of expansions by bakeries and dairy products manufacturers. New and expanded poultry processing facilities have also accounted for a substantial portion of capital expenditures in the foods sector. Vegetable processors and packagers are frequently able to increase output and employment substantially without major physical expansions, and this seems to have been characteristic last year—with the exception of several noteworthy projects noted below. Increased livestock marketings are apparently a factor in the recently-announced expansion plans of a number of major meat packers.

The following major developments in the Texas food processing industry occurred in 1958: Richter Baking Co., a division of Richter's Bakery of San Antonio, will build a new 45,000-square-foot, $750,000 bakery in Victoria. In Dallas, Mrs. Baird's Bakery installed new bulk flour handling equipment. Pillsbury Mills, Inc., at Denison, having outgrown its present plant, is considering construction of a new $2-million facility in the Sherman-Denison area. John Morrell & Co. recently announced that it would reactivate its Fort Worth beef slaughtering plant in 1959. In Corpus Christi, Yarborough Coffee Co., Inc., plans a three-year expansion program to double plant facilities, production, and employment. KVP Co., in Houston, a manufacturer of waxed wrapping paper for distribution to food processors, has outgrown present facilities and hopes to begin construction in 1959 on a new 40,000-square-foot, $1-million plant. In Fredericksburg, Market Produce Co. expanded its broiler processing facilities. In Denton, Morrison Milling Co. recently completed a $45,000 laboratory for experimental milling, test baking, and flour analysis. Holmes Foods Co., in Nixon, is rebuilding and remodeling its poultry processing plant. In Weslaco, Texsun Corp. has built new warehouse space and plans to increase substantially its production of canned fruit juices.

Also, in Anthony, Mountain Pass Canning Co. is moving from Canutillo to a new 90,000-square-foot plant; employment and production will both be expanded. In Houston, Lone Star Packing Co. has let contracts for a $500,000 meat packing plant with a floor space of 16,000 square feet; present plant capacity of 16,000 head of cattle and calves annually will be greatly increased by the new plant. In Dallas, Foremost Dairies, Inc., is building a new $1.5 million plant and headquarters building; the plant will process 60,000 gallons of milk daily and will employ 300 persons. Superior Foods, Dallas, recently occupied a new 30,000-square-foot, $500,000 plant, where it is manufacturing 800,000 dozen refrigerated biscuits per month. Morton Foods, Inc., a Dallas-based firm, is building a new $300,000 food processing plant in El Paso; the plant will employ about 40 persons. In Houston, Maxwell House, a division of General Foods, Inc., having just completed a multimillion dollar expansion program, announced another in excess of $5 million to double existing facilities and finally employ over 800 persons to process 186 million pounds of coffee annually; Maxwell House's plant investment in Houston after the expansion will exceed $15 million. In Seguin, Aunt Mid Co., a new firm, plans to build a plant to package Rio Grande Valley and Guadalupe County vegetables for out-of-state shipment; the plant is expected to employ about 40 persons. In Austin, Austin Baking Co., a division of Richter's Bakery, San Antonio, has construction well underway on a new 65,000-square-foot, $1-million bakery. Also in Austin, Superior Dairies, Inc., has a $20,000 addition to plant facilities under construction. In Bryan, Magness & Sons last September began operation of a new $175,000 poultry processing facility, and, in Corpus Christi, Foremost Dairies is building a new $400,000 dairy products manufacturing and processing plant which is expected to employ approximately 100 persons. In Houston, Armour & Co. will build a $2-million meat processing and distributing facility to replace its existing plant. Kraft Foods, Inc., recently completed a 75,000-square-foot addition to its Garland plant at a cost of about $700,000. And in Lubbock, Lewter, Inc., has a $1-million beef slaughtering and dressing plant under construction.

APPAREL

At present there are 163 apparel manufacturing plants in Texas which employ more than 50 persons, though the majority of Texas plants employ less than that number. Output of Texas apparel manufacturers last year was valued in the neighborhood of one-third of a billion dollars. The state continues to attract a large number of apparel manufacturing firms annually, and the growth of the Southwest market region has been supporting notable expansions of plant and production by existing manufacturers. As the list below of projects announced, begun, or completed last

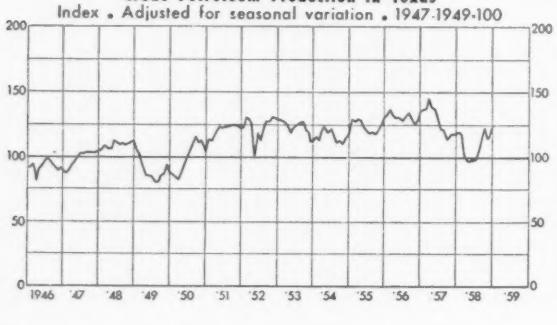
year indicates, the Dallas-Fort Worth area dominates apparel manufacturing in the state, though El Paso and San Antonio are also major—and growing—centers. The trend toward industry dispersion away from major central city locations to smaller outlying communities, especially in the Dallas marketing area, continues to be characteristic.

In Wills Point, Malouf Co., which manufactures women's wear, recently expanded plant floor space by 5,000 square feet and added 12 new machines. In Commerce, Leighton Manufacturing Co. doubled employment and production of women's dresses in the past year; further expansion is anticipated in the next 12 months. In Dallas, Herman Marcus, Inc., which has opened nine new apparel manufacturing plants in the past two years, recently opened an operator's training school with 25,000 square feet of floor space. J. M. Wood Co., in Waco, is building new warehouse and production facilities for military and work clothes manufacture; the expansion will cost an estimated $350,000. The firm now employs over 800 persons. In Hamilton, Patty's of Texas, a manufacturer of blouses and skirts presently employing about 70 persons, is expanding production and employment by 50%. Donovan Uniform Co., a Dallas uniform manufacturer, recently moved to a new, larger plant to make possible expanded production. Also in Dallas, Bogart Sportswear Manufacturing Co., manufacturing women's skirts, has moved to larger quarters and expanded production. In Frankston, Candace Fashions is building a new 7,500-square-foot plant to manufacture children's wear; production will begin this year and about 40 persons will be employed.

In Waco, Gilbreath Manufacturing Co. is moving to a new plant nearly three times present plant size; the manufacture of children's wear will be expanded proportionately and employment will also be increased significantly. In Dallas, Carl Pool Manufacturers, a new firm, has begun the manufacture of women's sportswear. Lorrie Kay of Dallas, a manufacturer of cotton knit dresses, also expanded production facilities. In Houston, Bell Uniform & Cap Co. is moving to larger quarters necessary to enable the company to meet demand. In Pittsburg, Cloyes Manufacturing Co. has added additional lines to the women's wear it produces. Sherman Manufacturing Co., a division of Burlington Mills, Inc., had ordered 44 new looms to make an increase in production possible; the firm is currently weaving over 250,000 pounds of cloth weekly. In Dallas, Tranell, Inc., also a new firm, is manufacturing women's dresses and sportswear, and Roland Roberts, Inc., manufactures men's suits. In Mesquite, Covey Manufacturing Co., a manufacturer of dresses, added 200 employees after expanding its plant, and Earl Mitchell Co., a new firm, began the manufacture of men's suits.

Crude Petroleum Production in Texas

Index • Adjusted for seasonal variation • 1947-1949-100



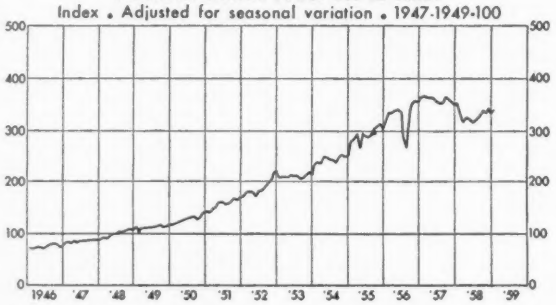
FURNITURE

Also a Texas industry oriented primarily to the Southwestern regional market, the state's furniture manufacturing industry last year continued to expand significantly. The expansion was generally shared not only by manufacturers of home furniture, but also by producers of commercial, school, and church furniture as well.

S-K Fixture & Church Furniture Co. in Jacksonville last year expanded facilities for the manufacture of church furniture and drug store fixtures. Wynnewood Products Co., also in Jacksonville, a manufacturer of particle board and laminated table tops, last year added 6,000 square feet

Industrial Electric Power Use in Texas

Index • Adjusted for seasonal variation • 1947-1949-100



to plant floor space and is currently on a three-shift, round-the-clock schedule in the attempt to meet demand for its products. Contemporary Office Furnishings, Inc., in Irving, is moving to a larger plant now under construction in Arlington. Denison Mattress Co. is expanding production facilities for larger production of living room furniture. Falcon Manufacturing Co., in Dallas, has opened a new dinette furniture branch assembly plant in the Trinity Industrial District. Also in Dallas, Texas Furniture Industries, a new concern, has begun the manufacture of a variety of tables for homes. In Fort Worth, Tri-State Manufacturing Co., also new, is manufacturing store fixtures in an 11,000-square-foot plant. And in Houston, Kay Manufacturing Corp., a manufacturer of box and upholstery springs and innerspring and cushion units, has a $250,000 plant expansion program in progress.

OIL AND GAS EQUIPMENT AND MACHINERY

Since Texas is the nation's leading crude oil producer and refiner and also possesses a dynamic natural gas industry, Texas producers of equipment and machinery for these industries have a great locational advantage over manufacturers located elsewhere. In spite of the well-known troubles of the state's oil industry, the industry is so large, and technological changes so rapid, that a considerable number of new firms serving the industry begin operation each year. Furthermore, many of these firms manufacture products that are used in both the oil and gas industries, and the expansiveness of the latter helps to offset a drop in demand from the oil industry sector. Some of the new firms with products marketed with these industries which began production in the past year, or already existing firms which began or completed expansion programs, are listed below.

Industrial Instrument Corp., of Austin, opened an Odessa branch plant to manufacture flow meter bearings and other precision instruments. In Houston, Design Devel-

opment Laboratories, a new firm, will manufacture a variety of plastic products for the petroleum industry; the firm has not yet completed its plant and already has advance orders totalling more than $2 million. In Longview, Grove Valve & Regulator Co. plans to activate this year a 75,000-square-foot plant to manufacture the firm's line of valves for use in natural gas and products pipelines. Rolo Manufacturing Corp., in Houston, which manufactures oil well meters, gas dehydrators, and other oil and gas industry equipment, will begin an immediate expansion of facilities with construction of a 10,000-square-foot addition to its shop building. Also in Houston, Harold Brown Co., manufacturing gas lift equipment, is expanding production facilities by 50%. G. A. Mosites Co. of Houston, Inc., is building a 12,000-square-foot plant to fabricate sheet tanks and pipes to which other company plants in Houston and Fort Worth will apply plastic coatings; the tanks and pipes will be used in the petroleum and chemical industries. Again in Houston, the A-Z International Tool Co. has begun the manufacture of high-speed oil field milling tools; and Brown Oil Tools, Inc., plans contruction of a new 10,000-square-foot shop building. Houston Instrument Corp., also a new firm, is specializing in the development and manufacture of laboratory and specialized instruments for the petroleum and chemical industries.

MISCELLANEOUS

There were, of course, a large number of announcements of new and expanded manufacturing plants in Texas in the past year that are not listed in the above categories, but which were nevertheless important contributions to that segment of Texas industry in which they belong and, in some instances, major additions to Texas industrial activity as a whole. A selected number of relatively important plant projects in a variety of industrial classifications are listed below.

Metals: Aluminum Co. of America recently resumed construction on its new $45-million alumina plant at Point Comfort; completion is expected late this year. Construction was postponed early in 1958. Preliminary operations at the plant are already underway; first shipments of bauxite are now being processed. When completed the plant will have an annual capacity exceeding 1 million tons. In Rockwall, Texas Aluminum has a $350,000 expansion program well underway; new facilities are scheduled to be placed in operation around mid-year. In El Paso, Southwestern Metals, Inc., a new firm, announced in early March that construction will begin soon on a $13-million, 36,000-ton-per-year steel mill. The firm hopes to begin operating the plant sometime next year; between 150 and 200 persons will be employed. ***Containers:*** Continental Can Co. is building a $1-million can manufacturing plant near Weslaco, and the same company plans an 80,000-square-foot addition to its corrugated box plant in Tyler which will double both physical plant and employment (currently about 100 persons). Southern Paper Box Co., in Paris, completed a 27,000-square-foot plant expansion, and, in Arlington, Container Corp. of America has work underway on a $2.5 million folding carton plant which, when completed, will employ approximately 200 persons. In Dallas, Cleveland Container Co. early this year began production of fiber and composite containers in a new 27,500-square-foot plant employing 70 persons. Also in Dallas, Southwestern Steel Containers Co., a new firm manufacturing steel containers, already has an employment of about 100. Knox Glass, Inc., completed a $750,000 expansion of its Paris glass container manufacturing plant and added 70 persons to its payroll. ***Electronics:*** Texas Instruments, Inc., has begun construction on a 192,000-square-foot addition to its semiconductor-components plant in Dallas; completion is scheduled within the next 12 months. The plant is already the world's largest manufacturer of transistors and related devices, and was opened only last June. A 78,500-square-foot Central Research Laboratory is under construction on the same site. ***Machinery:*** West Texas Machinery & Equipment Co. leased a plant building in Sweetwater and will soon begin the manufacture of cotton ginning equipment; about 100 persons will eventually be employed. Texfan Mfg. Corp., a Houston manufacturer of air conditioning and heating systems, completed a $50,000 expansion program in January. Also in Houston, Pappas Industries plans a $500,000 plant with 100,000 square feet of floor space to manufacture ice-making machines. ***Printing and Publishing:*** The Olton Enterprise, in Olton, is building a new plant, in which new engraving and typesetting facilities will be installed. In Dallas, Crump Printing Co. recently moved to larger quarters and added new printing equipment and related facilities. National Printing Co. in San Antonio is moving to a larger, modern plant. In Fort Worth, Rotary Business Form Co., a new firm, recently began operation. Again in Dallas, Fineline Co. recently began the manufacture of business forms, William S. Henson, Inc., moved to a new plant, Southwestern Paper Co. (which manufactures paper for printers and publishers) is moving to a new 40,000-square-foot plant, and American Guild Press, a new firm, began publishing books. There were many other projects over the state in the printing area last year. ***Other:*** At McGregor, Astrodyne, Inc., will spend over $1 million this year in plant improvements to increase company capability in the design and manufacture of solid propellants, rocket cases and hardware, and missile control devices. In Sunray, Helex Co., a new firm organized by Northern Natural Gas Co. and Air Products, Inc., will soon begin construction on a $13.5-million plant to extract helium from natural gas. In Houston, Dynamic Metals, Inc., also a new firm, has announced plant to build a $1-$2-million plant to manufacture foamed aluminum, and Southwestern Electro metals, also new, plans a 200,000-square-foot plant to recover beryllium and boron from industrial scrap.

REFINERY STOCKS*
(in thousands of barrels)
Source: *The Oil and Gas Journal*

Area and products	Jan 1959	Dec 1958	Jan 1958	Percent change: Jan 1959 from Dec 1958	Percent change: Jan 1959 from Jan 1958
UNITED STATES					
Gasoline	197,511	186,913	204,559	+ 6	— 3
Distillate	96,745	126,056	123,121	— 23	— 21
Residual	57,867	60,525	57,502	— 4	+ 1
Kerosene	20,910	26,057	23,179	— 20	— 10
TEXAS					
Gasoline	35,051	33,322	38,463	+ 5	— 9
Distillate	11,259	14,326	14,993	— 21	— 25
Residual	8,398	8,446	7,825	— 1	+ 7
Kerosene	1,960	2,717	2,242	— 28	— 13

* Figures shown for week ending nearest last day of month.

Agriculture:

BRUSH CONTROL AND RANGE REHABILITATION IN TEXAS

By ROBERT L. PARKER

The cattlemen who came to Texas in the early 1800's found a land with most of the characteristics of a cattleman's paradise. Over a major portion of the future state there spread a rolling grassland prairie kept green by an abundance of streams and dotted occasionally with clumps of mesquite which offered welcome shade for the half-wild Mexican cattle owned by the Spanish missions.

If these same men had again seen certain large areas of this land a little more than a century later, they would hardly have believed they were seeing the same land as before. By the early 1950's, on some 25 to 30 million acres of Texas land, mesquite, cactus, and other brush had become the commonplace rather than the rare, the streams had either dried up altogether or slowed to muddy trickles, and the range grass, once capable of supporting a seemingly infinite number of cattle, was either gone or disappearing at an alarming rate. Frequent drouths coupled with man's imprudence and lack of foresight had gradually reduced much of this once great rangeland to a forbidding jungle of brush, thriving on the limited available moisture and starving out the less aggressive grasses.

It is not difficult to understand the early cattleman's lack of concern for grass conservation. He was a nomadic adventurer out to make his fortune as fast as possible, and, to his limited vision, the virgin Texas prairie seemed to offer an inexhaustable supply of green gold. He saw no reason why he should worry about ever running out of grass. It is a little more difficult to understand the shortsightedness of the established ranchers of the late 1800's in an increasingly more populous state who, during a cattlemen's organization meeting in 1898, made the following resolution in response to a U. S. Department of Agriculture representative's attempt to lecture them on the subject of range grass conservation: "Resolved, that none of us know, or care to know, anything about grasses . . . outside . . . the fact that for the present there are lots of them . . . and we are after getting the most out of them while they last."

It began to dawn on a few cattle raisers a generation or so later, however, that range grasses were going to be scarce indeed by their grandchildren's time if something were not done to correct the abuses that grasses were being subjected to. By this time brush was moving steadily onto the ranges where the grasses were fighting for survival against overgrazing and the inevitable drouths of the Southwest.

One of the most troublesome and common types of the encroaching brush was the mesquite tree. Cattle would wander into the "brasada," or mesquite thickets, and once in would become as evasive as deer in a forest. They often had to be hunted down by dogs and then dragged out of the thorny woods by specially-trained oxen. Worse than this, however, was the problem brought on by the fact that brushes are very aggressive water procurers. Their masses of big roots tend to monopolize the scant water supplies available during dry spells, thus starving the grasses out and making cumulative the effect of drouth. As the brush moved in and the grasses dried out, ranchers found cattle raising increasingly difficult and dangerous—and less and less profitable.

The ranchers finally started fighting the invaders in earnest. They tried burning the brush, but it came right back up from undamaged roots. They tried to chop it down, but it always came back. Bulldozing and mangling by huge rigs were found to be only slightly more effective. A spectacular method calling "chaining," in which a ship anchor chain with individual links weighing as much as 150 pounds is dragged over the brush by big crawler tractors, has not proven a completely satisfactory answer either.

One brush-control method that has proved effective in some areas is chemical poisoning. Two popular chemical herbicides for killing brush are Silvex and 2, 4, 5–T. Both of these chemicals are "selective" herbicides, which operate by being absorbed by the brush and transported within its sap stream. Two airplane sprayings with a mixture of either of these with water and diesel oil has been found adequate for killing most brush. Airplane spraying presents a problem of accuracy of distribution, however, and selective herbicides scattered from airplanes in pellet form have recently become a popular method of brush poisoning since they present a much less serious drift problem. The pellets melt with the first rain and are then absorbed by the roots of the brush.

"Nonselective" chemicals such as kerosene and diesel oil kill foliage by contact and entire plants by contact with their roots. These chemicals are applied by sprays. Mass spraying from a tractor or jeep is sufficient to kill foliage, but concentrated hand spraying is necessary to reach roots.

While chemicals are generally effective in killing brush, using them in large enough quantities to clear heavily infested areas is expensive. Also, simply killing the brush in such areas is usually not sufficient for range rehabilitation,

REVENUE RECEIPTS OF THE STATE COMPTROLLER

Source: State Comptroller of Public Accounts

Account	September 1–January 31		
	1958–59	1957–58	Percent change
TOTAL	$425,968,067	$386,875,478	+ 10
Ad valorem, inheritance, and poll taxes	27,842,385	29,130,467	— 4
Natural and casinghead gas production taxes	18,200,750	16,953,453	+ 7
Crude oil production taxes	57,254,207	58,535,529	— 2
Other gross receipts and production taxes	7,360,106	8,115,652	— 9
Insurance companies and other occupation taxes	463,652	398,128	+ 16
Motor fuel taxes (net)	73,139,831	69,885,831	+ 5
Cigarette tax and licenses	21,093,590	19,728,436	+ 7
Alcoholic beverage taxes and licenses	13,707,757	13,784,785	— 1
Automobile and other sales taxes	8,428,577	9,157,126	— 8
All licenses and fees	14,159,254	12,945,310	+ 9
Franchise taxes	1,306,341	1,527,403	— 14
Mineral leases, land sales, rentals, and bonuses	11,985,627	5,546,302	+116
Oil and gas royalties	13,031,171	12,090,087	+ 8
Interest earned	11,171,616	12,774,084	— 13
Unclassified receipts	10,346,414	9,863,514	+ 5
Other miscellaneous revenue	4,890,145	4,252,818	+ 15
Federal aid for highways	63,580,420	41,588,463	+ 53
Federal aid for public welfare	59,575,527	51,951,216	+ 15
Other federal aid	8,184,212	8,191,067	**
Donations and grants	246,485	455,807	— 46

** Change is less than one-half on one percent.

COTTON GINNED IN TEXAS, 20 LEADING COUNTIES*

(number of bales)

County	For growing season of 1958	For growing season of 1957	State Rank in 1957	Percent change 1958 from 1957
Lubbock	246,010	202,946	1	+ 21
Hale	200,621	136,533	3	+ 47
Hockley	187,583	164,147	2	+ 14
Hidalgo	178,796	134,575	6	+ 33
Lamb	178,144	139,503	4	+ 28
Lynn	164,895	136,333	5	+ 21
Cameron	137,177	92,113	10	+ 49
Dawson	135,509	117,478	7	+ 15
Crosby	127,885	94,680	9	+ 35
Terry	125,455	73,443	11	+ 71
Reeves	111,836	115,385	8	— 3
Floyd	107,449	72,445	12	+ 48
Bailey	90,848	70,264	13	+ 29
Willacy	86,767	57,512	15	+ 51
Nueces	83,151	56,974	16	+ 46
El Paso	81,794	65,260	14	+ 25
San Patricio	73,527	50,628	19	+ 45
Parmer	59,994	49,623	20	+ 21
Cochran	56,889	46,873	21	+ 21
Pecos	56,274	52,149	18	+ 8
TOTAL	2,490,604	1,928,864		+ 29
% of State Total	59%	55%		+ 7
STATE TOTAL	4,232,978	3,534,142		+ 20
Farm Cash Income	$407,219	$513,096		+ 26

Source: U. S. Department of Commerce, Bureau of Census.
* For twelve-month periods ending January 16.

particularly on the Rio Grande Plain in South Texas. In these areas the grass left after the brush is cleared is so sparse that re-seeding is necessary. Getting grass seed to take root in the hard-packed soil is virtually impossible by normal methods of sowing.

A group of construction machinery contractors and dealers, ranchers, and conservation specialists, however, refused to give in to the brush and hard-packed "hoofpan." They finally came up with an enormous machine called a "root plow" which, at an expense of between eight and twelve dollars per acre, is capable not only of plowing up a 12-foot swath of live mesquite, cactus, or other brush at a 15-inch depth, but also of sowing grass seeds in its path. The cost of root plowing an acre of ground often exceeds the original price of the property, but ranchers (whose expenses are partially defrayed by the Federal Agricultural Conservation Program, which foots 50% of the cost of root plowing up to a limit of five dollars per acre) testify to value increases of as much as thirty dollars per acre on the plowed land. Reports that land, after being root-plowed and re-seeded in suitable grasses, is able to support three times as many cattle as before are common.

Much of the early trial and error work in mechanical brush removal was done on the million-acre King Ranch in South Texas. The first "tree-dozer," a special brush-removal attachment for use with crawler-type tractors, was developed there in 1935 in the first attempt at large-scale mechanized brush removal. An early, but unsuccessful, version of the root plow followed, and then the "chaining" technique mentioned earlier. The root plow idea was not abandoned, however, and in 1949 a workable model was built by the William K. Holt Company of San Antonio. A horizontal-cutting plow weighing more than three tons was attached to the rear of a Caterpillar tractor which was equipped in front with a knockdown bar capable of pushing over most brush-sized trees in one pass. Fins were added to the plow to pull up the roots after they were severed by the cutting edge of the plow. A seeding attachment was also included, utilizing the exhaust for blowing the seeds into the path made by the plow.

The grasses that are most widely used for seeding behind the root plow are "blue panic" and "buffle." Blue panic is native to Australia, Afghanistan, and India, and was introduced to Texas at the Chillicothe Experiment Station in 1935. Bufflegrass was brought to Texas in 1947 from South Africa. Both these grasses are relatively difficult to get started, but once they get a grip on the soil they shoot up tall plants that resist dry weather unusually well and offer good grazing. It is the speed with which these two grasses grow, however, that was the decisive factor in choosing them for seeding on brush-cleared land. Once a root plow has ripped up the brush and in the process loosened the soil, there is nothing to keep the wind from blowing much of it away before the grass takes hold. Blue panic and buffle are "recovery grasses," and are not intended to permanently replace the native grasses, but only to hold the soil and provide grazing until the native grasses can re-propagate.

Since few ranchers have enough land to make owning their own root plows practical, most have the brush on their property cleared by root plowing contractors. One of the few ranchers who do operate their own plows is Dolph Briscoe, Jr., owner of the Catarina Ranche near Uvalde. Briscoe has root-plowed and seeded over 70,000 acres of his 100,000-acre ranch and plans to keep plowing until every single acre has been covered. Briscoe has been quoted as saying, in effect, that he will not go half-way on the project; that when he finishes he will have either the most productive grassland in the world or a desert—but no more brushland!

There are those who think he may very well have 100,000 acres of desert on his hands. In clearing his entire acreage of brush a rancher places all his faith in the grasses that he plants behind his plow. The recovery grasses which are being planted in South Texas are not native to the area and, should they fail for any reason before the native grasses become re-established, there would be little to keep the wind from picking up the topsoil and depositing it elsewhere.

CARLOAD SHIPMENTS OF FRUIT AND VEGETABLES

Source: Compiled from reports received from Agricultural Marketing Service, U.S. Department of Agriculture

Commodity	January 1–December 31, 1959	January 1–December 31, 1958	Percent change
TOTAL SHIPMENTS	1,976	3,006	— 34
VEGETABLES	1,690	2,796	— 40
Beets	1	6	— 83
Broccoli	13	3	+333
Cabbage	173	521	— 67
Carrots	309	584	— 47
Cauliflower	43	256	— 83
Lettuce	82	73	+ 12
Mixed vegetables	668	871	— 23
Spinach	401	482	— 17
FRUIT	230	182	+ 26
Grapefruit	111	70	+ 59
Mixed Citrus	91	69	+ 32
Oranges	28	28	**
Lemons	....	15	—100
ALL OTHERS	56	28	+100

** Change is less than one-half of one percent.

CARLOAD SHIPMENTS OF LIVESTOCK*

Source: Bureau of Business Research in cooperation with Agricultural Marketing Service, U. S. Department of Agriculture

Classification	Jan 1959	Dec 1958	Jan 1958	Percent change: Jan 1959 from Dec 1958	Percent change: Jan 1959 from Jan 1958
TOTAL	2,970	1,879	2,603	+ 58	+ 14
Cattle	2,344	1,587	2,127	+ 48	+ 10
Calves	362	268	332	+ 38	+ 9
Sheep	264	29	144	+810	+ 83
INTERSTATE	2,784	1,564	2,354	+ 78	+ 18
Cattle	2,217	1,323	1,926	+ 68	+ 15
Calves	304	216	285	+ 41	+ 7
Sheep	263	25	143	+952	+ 84
INTRASTATE	186	315	249	— 41	— 25
Cattle	127	264	201	— 52	— 37
Calves	58	47	47	+ 23	+ 23
Sheep	1	4	1	— 75	**

*Rail-car basis: cattle, 30 head per car; calves, 60; hogs, 80; and sheep, 250.

** Change is less than one-half of one percent.

For this reason many ranchers are leaving strips of the brush as wind breaks. In some areas brush is also helpful in arresting migrating sand dunes. Ranchers who value wild life conservation are leaving brush strips for wild life refuges. An occasional path cut through the brush strips is adequate to facilitate cattle handling.

So far root plowing has been generally limited to the Rio Grande Plains. In other brush-afflicted areas chemical poisoning remains the only practical control method. Where native grasses still survive to some extent and the brush is not extremely thick, chemical poisoning will probably continue to be the brush-control method used. This is also true where the terrain is rocky, hilly, or otherwise unsuited for root plowing. The most serious problem at present is the development of recovery grasses for those areas where brush has destroyed the native grasses and where blue panic and bufflegrass are not suited for seeding. Progress is, however, being made toward the solution of this problem. The tide of the ranchers' war with the brush has definitely turned, and before long Texas ranges may again resemble the grass-covered prairies of frontier days.

Building Construction:

JANUARY PERMITS REMAIN HIGH

By ROBERT H. DRENNER

Urban building construction authorized in Texas in January was valued at an estimated $104,716,000, up 19% from the preceding month and 25% greater than in January 1958. After seasonal adjustment, the over-all monthly index of building authorized in the state declined slightly from December's 247 to 239, a new record for the index in January and 25% above the previous January high.

New building authorized in January was 19% above December and 31% greater than a year ago. Permits for additions, alterations, and repairs, representing a total building value of $7,980,000, were 32% above December, 20% below the January 1958 level, and accounted for less than 8% of the value of all building authorized during the month.

RESIDENTIAL

In January residential building continued to be the strongest component of total building activity, as it has been for the past year. Total new residential authorizations during the month were an estimated $67,942,000, or 70% of all new building and 65% of all building construction authorized in January. Permits were 24% greater than in December, but the seasonally adjusted residential index declined to 308 from December's 313; January permits normally rise even more sharply from December than was the case in this instance. However, the January residential total was 41% above similar permits in the same month last year, and, despite the nominal decline after adjustment, Texas builders evidently plan a high rate of residential construction in the months immediately ahead.

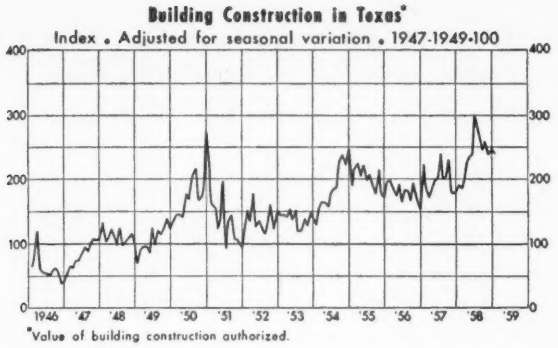
Multiple-family dwelling permits in January constituted 7% of the value of all new residential building authorized. The category, though down 18% from December, was 76% higher than in the same month last year. Multiple-family residential permits tend to vary sharply from month to

TEXAS BUILDING CONSTRUCTION AUTHORIZED

Twenty-one major cities

	Residential			Non-residential		
	Jan '59	Jan '59	% Change	Jan '59	Jan '59	% Change
Abilene	2,156,221	746,927	+189	205,004	493,344	— 58
Amarillo	2,591,900	1,168,845	+122	2,778,100	536,460	+418
Austin	2,672,000	1,725,000	+ 55	651,200	1,522,841	— 57
Beaumont	627,218	512,104	+ 22	508,693	167,020	—205
Corpus Christi	730,600	965,375	— 24	1,139,909	114,400	+896
Dallas	8,112,416	6,012,323	+ 35	2,493,970	2,135,529	+ 17
El Paso	2,851,900	1,986,645	+ 44	1,071,195	1,563,516	— 31
Fort Worth	2,446,422	2,036,630	+ 20	279,725	3,016,718	— 91
Harlingen	231,900	220,090	+ 5	19,350	91,400	— 91
Houston	12,097,325	9,380,800	+ 29	4,883,859	2,149,915	+127
Longview	868,800	522,300	+ 66	125,550	126,100	**
Lubbock	2,322,579	1,721,800	+ 35	871,768	174,945	+398
Lufkin	77,500	107,400	— 28	118,360	36,100	+228
Odessa	1,233,200	1,967,230	— 37	592,547	1,181,908	— 50
Port Arthur	119,620	209,989	— 43	84,664	24,584	+244
San Angelo	227,500	131,750	+ 73	101,409	29,788	+240
San Antonio	3,365,322	1,814,421	+ 85	1,018,826	709,563	+ 44
Texarkana	107,500	127,000	— 15	185,885	454,238	— 59
Tyler	704,500	———no report———		185,300	———no report———	
Waco	699,150	710,064	— 2	545,254	127,436	+328
Wichita Falls	976,500	93,100	+949	156,900	145,350	+ 8

** Change is less than one-half of one per-cent.


Building Construction in Texas*
Index • Adjusted for seasonal variation • 1947-1949-100
400
300
200
100
0
1946 '47 '48 '49 '50 '51 '52 '53 '54 '55 '56 '57 '58 '59
*Value of building construction authorized.

month, but the evidence suggests that the duplex and apartment building boom in Texas (especially noteworthy in the Houston area) is still in progress.

NONRESIDENTIAL

Total new urban nonresidential building authorized in Texas in January was an estimated $28,794,000, or less than 30% of all building authorized during the month. The total was 8% higher than in December and 11% higher than a year ago, but the seasonally adjusted nonresidential index declined 16 points (from 183% to 167% of the 1947–49 monthly average). That is, there is ordinarily a fairly sharp rise from December to January in nonresidential building permits issued, and the failure of permits this year to match this rise caused a moderate drop in the adjusted index.

Despite the December-to-January decline in the adjusted nonresidential index, the improvement over the same month last year is some evidence that the nonresidential category as a whole is moving slowly toward a significantly better showing in 1959 than in the past year. Though month-to-month changes in Texas permits will be erratic, it is probable that a majority of the months immediately ahead, especially in the first half of the year, will be significantly better for nonresidential authorizations than was the case in the same months in 1958. Also, since nonresidential building in 1958, even though depressed by the recession, was only 1% below the previous record year for the category, 1959 may well be not only a new record year for this type of building construction, but may also set a new record more than nominally higher than the old.

Individual nonresidential classifications exhibited diverse showings in January. The largest improvements from December were in permits for bowling alleys, theaters, and other types of amusement buildings (+181%), new factories (+39%), and hospitals and other institutional buildings (+1,624%). Authorizations for new hotels and tourist courts (+8%), churches (+12%), office-bank buildings (+19%), and stores and mercantile buildings (+9%) improved moderately from the preceding month. Among these classifications, however, gains over the same month last year were balanced by declines: hotels and tourist courts (—19%), amusement buildings (+144%), churches (—10%), factories (+167%), institutional buildings (+223%), and stores and mercantile buildings (—9%). Two large nonresidential building classifications showed drops in both comparisons: January permits for works and utilities were down 71% from December and 6% below January 1958, and, in the same comparisons, new school authorizations fell 40% and 36%.

Bureau of Business Research Publications

1959 Directory of Texas Manufacturers

containing, in addition to much other relevant information, an alphabetical list of over 10,500 Texas manufacturers with their locations, city-by-city plant lists with data on each plant, and a detailed breakdown by products of all Texas plants manufacturing those products. Ten dollars.

ESTIMATED VALUE OF BUILDING AUTHORIZED

Source: Bureau of Business Research in cooperation with the Bureau of Labor Statistics, U. S. Department of Labor

Classification	Jan 1959	Dec 1958	Jan 1958	Percent change: Jan 1959 from Dec 1958	Percent change: Jan 1959 from Jan 1958
	Thousands of Dollars				
CONSTRUCTION CLASS					
ALL PERMITS	104,716	87,653	83,855	+ 19	+ 25
Residential (Housekeeping)	67,942	54,919	48,024	+ 24	+ 41
One-family dwellings	63,170	49,132	45,315	+ 29	+ 39
Multiple-family dwellings	4,772	5,787	2,710	— 18	+ 76
Nonresidential buildings	28,794	26,710	25,826	+ 8	+ 11
Nonhousekeeping buildings (residential)	1,229	572	1,512	+115	— 19
Amusement buildings	1,539	547	631	+181	+144
Churches	2,500	2,240	2,772	+ 12	— 10
Factories and workshops	3,542	2,371	1,327	+ 49	+167
Garages (commercial and private)	317	236	299	+ 34	+ 6
Service stations	671	780	1,204	— 14	— 44
Institutional buildings	2,655	154	821	+1624	+223
Office-bank buildings*	3,817	3,204	1,230	+ 19	+210
Works and utilities	288	1,002	308	— 71	— 6
Educational buildings	6,145	10,170	9,537	— 40	— 36
Stores and mercantile buildings	5,032	4,630	5,529	+ 9	— 9
Other buildings and structures‡	1,059	804	656	+ 32	+ 61
Additions, alterations, and repairs§	7,980	6,024	10,006	+ 32	— 20
METROPOLITAN vs. NON-METROPOLITAN†					
Total metropolitan	74,787	66,360	59,114	+ 13	+ 27
Central cities	62,903	57,052	48,473	+ 10	+ 30
Outside central cities	11,884	9,308	10,641	+ 28	+ 12
Total non-metropolitan	29,929	21,294	24,741	+ 41	+ 21
10,000 to 50,000 population	22,427	14,879	17,937	+ 51	+ 25
Less than 10,000 population	7,502	6,415	6,804	+ 17	+ 10

*Includes public (nonfederal) administration buildings beginning July 1957.

†As defined in 1950 census.

‡Includes government (nonfederal) service buildings beginning July 1957.

§Includes additions and alterations to public buildings beginning July 1957.

Local Business

City and item	Jan 1959	Percent Change: Jan 1958 from Dec 1958	Percent Change: Jan 1959 from Jan 1958
ABILENE (pop. 55,000r)			
Retail sales	.....	— 16	+ 42
Apparel stores	.....	— 61	— 1
General merchandise stores	.....	— 40	+ 20
Lumber, building material, and hardware stores	.....	— 11	+ 53
Postal receipts*	$ 93,175	— 30	.....
Building permits, less federal contracts	$ 2,425,143	— 11	+ 86
Bank debits (thousands)	$ 97,857	— 6	+ 1
End-of-month deposits (thousands)‡	$ 64,428	— 1	+ 8
Annual rate of deposit turnover	18.1	— 8	— 6
Employment (area)	31,750	**	+ 4
Manufacturing employment (area)	3,350	— 21	— 16
Percent unemployed (area)	5.4	+ 13	— 11
ALPINE (pop. 5,261)			
Postal receipts*	$ 4,022	— 36	+ 27
Bank debits (thousands)	$ 3,195	+ 27	+ 34
End-of-month deposits (thousands)‡	$ 4,068	— 18	— 4
Annual rate of deposit turnover	8.5	+ 29	+ 25
AMARILLO (pop. 125,049r)			
Retail sales	.....	— 15	+ 13
Apparel stores	.....	— 48	— 1
Automotive stores	.....	— 4	+ 17
Drug stores	.....	— 31	— 4
Eating and drinking places	.....	— 9	— 6
Food stores	.....	— 8	+ 4
Furniture and household appliance stores	.....	+ 4	+ 42
Gasoline and service stations	.....	— 8	— 15
Liquor stores	.....	— 40	+ 6
Lumber, building material, and hardware stores	.....	+ 6	+ 14
Building permits, less federal contracts	$ 5,507,100	+276	+193
Bank debits (thousands)	$ 221,767	**	+ 15
End-of-month deposits (thousands)‡	$ 122,708	— 2	+ 13
Annual rate of deposit turnover	21.5	— 1	+ 2
Employment (area)	50,100	— 1	+ 2
Manufacturing employment (area)	5,585	— 3	+ 2
Percent unemployed (area)	4.6	+ 21	— 39
ARLINGTON (pop. 27,550r)			
Postal receipts*	$ 32,826	— 27	+ 38
Building permits, less federal contracts	$ 1,229,848	— 6	+ 1
Employment (area)	193,850	— 2	+ 1
Manufacturing employment (area)	54,130	+ 1	**
Percent unemployed (area)	6.3	+ 13	— 14
AUSTIN (pop. 186,000r)			
Retail sales	.....	— 29	+ 3
Apparel stores	.....	— 34	+ 1
Automotive stores	.....	— 14	— 3
Drug stores	.....	— 18	— 10
Eating and drinking places	.....	+ 11	+ 10
Food stores	.....	+ 2	— 7
Furniture and household appliance stores	.....	— 29	+ 9
Gasoline and service stations	.....	**	+ 12
Lumber, building material, and hardware stores	.....	— 14	+ 22
Postal receipts*	$ 336,136	— 15	+ 29
Building permits, less federal contracts	$ 4,268,848	— 20	+ 22
Bank debits (thousands)	$ 196,965	+ 2	+ 10
End-of-month deposits (thousands)‡	$ 147,866	+ 1	+ 18
Annual rate of deposit turnover	16.1	— 4	— 4
Employment (area)	71,200	— 3	— 1
Manufacturing employment (area)	5,515	+ 2	+ 3
Percent unemployed (area)	3.9	+ 8	**
BAY CITY (pop. 14,042r)			
Postal receipts*	$ 11,344	— 32	+ 41
Bank debits (thousands)	$ 14,634	+ 10	+ 13
End-of-month deposits (thousands)‡	$ 21,100	**	+ 9
Annual rate of deposit turnover	8.3	+ 8	+ 34
BAYTOWN (pop. 22,983)			
Postal receipts*	$ 22,183	— 46	+ 30
Building permits, less federal contracts	$ 137,410	— 24	— 72
Bank debits (thousands)	$ 21,851	— 4	— 2
End-of-month deposits (thousands)‡	$ 25,384	+ 8	— 11
Annual rate of deposit turnover	10.7	— 10	.....
Employment (area)	466,800	+ 4	+ 7
Manufacturing employment (area)	92,600	+ 4	— 1
Percent unemployed (area)	5.9	+ 5	+ 13
BEAUMONT (pop. 122,485r)			
Retail sales	.....	— 36	— 2
Apparel stores	.....	— 50	— 10
Automotive stores	.....	— 11	— 2
Eating and drinking places	.....	— 1	— 7
Furniture and household appliance stores	.....	— 54	— 12
General merchandise stores	.....	— 61	— 7
Lumber, building material, and hardware stores	.....	+ 9	+ 20
Postal receipts*	$ 112,641	— 29	+ 19
Building permits, less federal contracts	$ 1,233,880	— 23	+ 49
Bank debits (thousands)	$ 163,026	— 6	— 4
End-of-month deposits (thousands)‡	$ 106,266	— 4	— 6
Annual rate of deposit turnover	18.1	— 3	+ 2
Employment (area)	88,800	+ 4	+ 1
Manufacturing employment (area)	26,975	+ 2	— 5
Percent unemployed (area)	10.8	+ 14	+ 64
BEEVILLE (pop. 10,500r)			
Retail sales			
Lumber, building material, and hardware stores	.....	— 32	+ 42
Postal receipts*	$ 11,842	— 24	+ 48
Building permits, less federal contracts	$ 210,187	+314	+176
Bank debits (thousands)	$ 10,687	+ 6	+ 11
End-of-month deposits (thousands)‡	$ 14,328	+ 1	+ 13
Annual rate of deposit turnover	9.0	+ 5	+ 1
BIG SPRING (pop. 24,442r)			
Retail sales			
Lumber, building material, and rardware stores	.....	**	+ 33
Postal receipts*	$ 32,075	— 11	+ 62
Bank debits (thousands)	$ 35,891	— 4	— 9
End-of-month deposits (thousands)‡	$ 26,666	— 6	+ 4
Annual rate of deposit turnover	15.6	.....	— 14
BRADY (pop. 5,944)			
Building permits, less federal contracts	$ 15,700	+731	+ 62
Bank debits (thousands)	$ 4,938	+ 3	+ 16
End-of-month deposits (thousands)‡	$ 7,078	+ 2	+ 12
Annual rate of deposit turnover	8.4	— 3	+ 8
BRENHAM (pop. 6,941)			
Building permits, less federal contracts	$ 161,610	+225	+744
Bank debits (thousands)	$ 8,699	+ 9	+ 14
End-of-month deposits (thousands)‡	$ 13,116	— 4	+ 6
Annual rate of deposit turnover	7.8	+ 10	+ 7

For explanation of symbols, see page 23.

Conditions

City and item	Jan 1959	Percent Change: Jan 1958 from Dec 1958	Percent Change: Jan 1959 from Jan 1958
BROWNSVILLE (pop. 36,066)			
Retail sales			
Automotive stores		— 14	+ 35
Lumber, building material, and hardware stores		— 60	— 11
Postal receipts*	$ 25,850	— 38	+ 14
Building permits, less federal contracts	$ 140,600	+ 47	+ 29
BROWNWOOD (pop. 20,181)			
Retail sales		— 46	— 15
Apparel stores		— 42	+ 2
Automotive stores		— 35	— 32
Furniture and household appliance stores		— 43	+ 8
Building permits, less federal contracts	$ 19,800	+ 52	+ 81
Bank debits (thousands)	$ 12,151	— 8	+ 13
End-of-month deposits (thousands)‡	$ 13,431	— 1	+ 12
Annual rate of deposit turnover	10.8	— 9	+ 1
BRYAN (pop. 23,883[r])			
Retail sales		— 29	— 12
Apparel stores		— 44	— 22
Food stores		— 1	+ 6
Furniture and household appliance stores		— 7	+ 4
Postal receipts*	$ 19,405	— 45	+ 5
Building permits, less federal contracts	$ 482,300	+405	— 53
CISCO (pop. 5,230)			
Postal receipts*	$ 3,757	— 44	+ 6
Bank debits (thousands)	$ 2,929	— 6	+ 6
End-of-month deposits (thousands)‡	$ 3,751	— 2	+ 3
Annual rate of deposit turnover	9.3	— 4	+ 3
CORPUS CHRISTI (pop. 165,458[u])			
Retail sales		— 2	+ 20
Apparel stores		— 27	+ 3
Automotive stores		+ 3	+ 26
Lumber, building material, and hardware stores		— 32	— 7
Building permits, less federal contracts	$ 2,001,651	+ 49	+ 62
Bank debits (thousands)	$ 205,576	+ 6	+ 4
End-of-month deposits (thousands)‡	$ 115,051	— 6	+ 2
Annual rate of deposit turnover	20.9	+ 8	+ 2
Employment (area)	66,050	+ 1	+ 3
Manufacturing employment (area)	8,115	— 4	— 3
Percent unemployed (area)	7.6	+ 25	+ 7
CORSICANA (pop. 19,211)			
Postal receipts*	$ 16,969	— 62	+ 17
Building permits, less federal contracts	$ 85,675	— 53	+ 1
Bank debits (thousands)	$ 19,983	+ 4	— 3
End-of-month deposits (thousands)‡	$ 20,625	— 10	— 3
Annual rate of deposit turnover	11.0	+ 8	— 2
DENISON (pop. 17,504)			
Building permits, less federal contracts	$ 67,433	— 43	— 31
Bank debits (thousands)	$ 16,474	— 5	— 11
End-of-month deposits (thousands)‡	$ 13,200	— 43	— 5
Annual rate of deposit turnover	10.9	+ 20	— 22
EDINBURG (pop. 15,993[r])			
Postal receipts*	$ 10,311	— 30	+ 24
Building permits, less federal contracts	$ 230,125	+204	— 71
Bank debits (thousands)	$ 14,561	+ 46	+ 37
End-of-month deposits (thousands)‡	$ 9,333	— 5	+ 16
Annual rate of deposit turnover	18.2	+ 46	+ 27

City and item	Jan 1959	Percent Change: Jan 1958 from Dec 1958	Percent Change: Jan 1959 from Jan 1958
DALLAS (pop. 621,500[r])			
Retail sales		— 36	— 3
Apparel stores		— 47	+ 7
Automotive stores		— 30	— 12
Eating and drinking places		+ 2	— 2
Florists		— 47	+ 11
Furniture and houserold appliance stores		— 22	— 14
General merchandise stores		— 67	— 12
Lumber, building maerial, and hardware stores		+ 1	+ 19
Building permits, less federal contracts	$11,234,124	+ 17	+ 18
Bank debits (thousands)	$ 2,730,484	— 9	+ 3
End-of-month deposits (thousands)‡	$ 1,140,732	— 10	+ 15
Annual rate of deposit turnover	27.1	— 10	— 12
Employment (area)	384,300	+ 9	+ 12
Manufacturing employment (area)	85,200	**	— 3
Percent unemployed (area)	4.4	+ 26	+ 10
EL PASO (pop. 244,400[r])			
Retail sales		— 31	+ 7
Apparel stores		— 44	+ 25
Automotive stores		— 14	— 6
Drug stores		— 29	+ 19
Food stores		— 7	+ 11
Furniture and household appliance stores		— 43	+ 15
General merchandise stores		— 57	+ 7
Lumber, building material, and hardware stores		+ 2	+ 51
Building permits, less federal contracts	$ 4,407,778	— 32	+ 17
Bank debits (thousands)	$ 377,624	— 1	+ 13
End-of-month deposits (thousands)‡	$ 181,321	+ 3	+ 19
Annual rate of deposit turnover	25.3	— 5	— 3
Employment (area)	82,250	— 2	+ 4
Manufacturing employment (area)	13,310	— 2	**
Percent unemployed (area)	4.7	+ 12	— 18
FORT WORTH (pop. 315,578[u])			
Retail sales		— 18	+ 17
Apparel stores		— 24	+ 3
Drug stores		— 8	+ 1
Eating and drinking places		+ 3	**
Food stores		+ 1	+ 5
Furniture and household appliance stores		+ 11	**
Gasoline and service stations		— 7	— 5
General merchandise stores		— 57	+ 9
Hay, grain, and feed stores		+ 7	+ 11
Lumber, building material, and hardware stores		+ 15	+ 11
Postal receipts*	$ 619,108	— 27	+ 9
Building permits, less federal contracts	$ 3,043,724	— 16	— 43
Bank debits (thousands)	$ 823,505	— 7	+ 7
End-of-month deposits (thousands)‡	$ 376,547	— 3	+ 6
Annual rate of deposit turnover	25.8	— 7	**
Employment (area)	193,850	— 2	+ 1
Manufacturing employment (area)	54,130	+ 1	**
Percent unemployed (area)	6.3	+ 13	— 14
GARLAND (pop. 28,151[r])			
Postal receipts*	$ 21,145	.....	+ 19
Building permits, less federal contracts	$ 1,404,853	+ 20	+100
Employment (area)	384,300	+ 9	+ 12
Manufacturing employment (area)	85,200	**	— 3
Percent unemployment (area)	4.4	+ 26	+ 10

For explanation of symbols, see page 23.

LOCAL BUSINESS CONDITIONS

City and item	Jan 1959	Percent Change: Jan 1958 from Dec 1958	Percent Change: Jan 1959 from Jan 1958
GALVESTON (pop. 71,527[u])			
Retail sales	.....	— 30	+ 11
Apparel stores	.....	— 54	— 1
Automotive stores	.....	— 21	+ 45
Food stores	.....	— 5	— 10
Postal receipts*	$ 86,312	— 25	+ 19
Building permits, less federal contracts	$ 233,896	— 55	+ 54
Bank debits (thousands)	$ 85,505	— 15	— 10
End-of-month deposits (thousands)‡	$ 66,233	+ 5	— 6
Annual rate of deposit turnover	15.8	— 16	— 1
Employment (area)	49,050	— 2	+ 2
Manufacturing employment (area)	10,935	**	— 4
Percent unemployed (area)	7.4	+ 6	+ 7
GIDDINGS (pop. 2,532)			
Bank debits (thousands)	$ 2,307	— 7	+ 12
End-of-month deposits (thousands)‡	$ 3,815	— 3	+ 11
Annual rate of deposit turnover	7.1	— 8	+ 1
GLADEWATER (pop. 5,305)			
Postal receipts*	$ 4,749	.....	+ 11
Building permits, less federal contracts	$ 24,600	— 28	+232
Bank debits (thousands)	$ 4,471	+ 20	+ 13
End-of-month deposits (thousands)‡	$ 4,501	— 6	+ 2
Annual rate of deposit turnover	11.5	+ 26	+ 11
Employment	27,400	+ 4	+ 8
Manufacturing employment	4,680	— 4	+ 3
Percent unemployed	4.7	+ 2	— 8
GOLDTHWAITE (pop. 1,566)			
Bank debits (thousands)	$ 3,015	+ 12	+ 26
End-of-month deposits (thousands)‡	$ 3,500	— 2	+ 15
Annual rate of deposit turnover	10.3	+ 14	+ 11
GONZALES (pop. 5,659)			
Building permits, less federal contracts	$ 27,000	+13400	— 54
Bank debits (thousands)	$ 6,074	— 4	+ 15
End-of-month deposits (thousands)‡	$ 5,151	**	+ 2
Annual rate of deposit turnover	14.2	— 3	+ 14
GRAND PRAIRIE (pop. 14,594)			
Building permits, less federal contracts	$ 2,001,465	+714	+390
Employment (area)	384,300	+ 9	+ 12
Manufacturing employment (area)	85,200	**	— 3
Percent unemployed (area)	4.4	+ 26	+ 10
GREENVILLE (pop. 17,500[r])			
Retail sales	.....	— 14	+ 9
Apparel stores	.....	— 30	+ 9
Lumber, building material, and hardware stores	.....	+ 5	+ 2
Postal receipts*	$ 17,973	— 38	+ 22
Building permits, less federal contracts	$ 328,903	+201	+199
Bank debits (thousands)	$ 16,314	**	+ 4
End-of-month deposits (thousands)‡	$ 15,110	— 7	**
Annual rate of deposit turnover	12.5	+ 1	+ 2
HARLINGEN (pop. 30,038[r])			
Retail sales			
Automotive stores	.....	— 10	+ 20
Postal receipts*	$ 33,453	— 24	+ 31
Building permits, less federal contracts	$ 268,575	— 16	— 32
Bank debits (thousands)	$ 36,731	— 1	+ 9
End-of-month deposits (thousands)‡	$ 26,393	— 4	+ 14
Annual rate of deposit turnover	16.3	+ 1	— 6
HENDERSON (pop. 11,606)			
Retail sales			
Apparel stores	.....	— 56	— 18
Food stores	.....	+ 4	+ 4
Furniture and household appliance stores	.....	— 33	+ 12
Building permits, less federal contracts	$ 586,200	+1994	+628
Bank debits (thousands)	$ 7,520	.....	+ 13
End-of-month deposits (thousands)‡	$ 16,328	— 1	+ 8
Annual rate of deposit turnover	5.5	.....	+ 6
HEREFORD (pop. 8,500)			
Postal receipts*	$ 7,704	— 29	+ 72
Building permits, less federal contracts	$ 336,950	+196	+1572
Bank debits (thousands)	$ 12,529	+ 3	+ 8
End-of-month deposits (trousands)‡	$ 11,728	+ 4	+ 8
Annual rate of deposit turnover	13.1	+ 1	— 2
HOUSTON (pop. 700,508[u])			
Retail sales¶	.....	— 27	+ 4
Apparel stores¶	.....	— 48	— 4
Automotive stores¶	.....	— 18	+ 9
Drug stores¶	.....	— 14	+ 55
Eating and drinking places¶	.....	— 15	**
Food stores¶	.....	— 11	+ 3
Furniture and household appliance stores¶	.....	— 51	+ 17
Gasoline and service stations¶	.....	— 27	+ 3
General merchandise stores¶	.....	— 52	+ 10
Lumber, building material, and hardware stores¶	.....	— 8	— 24
Other retail stores¶	.....	— 45	— 11
Postal receipts*	$ 1,404,043	— 16	+ 19
Building permits, less federal contracts	$18,910,485	**	+ 29
Bank debits (thousands)	$ 2,575,551	— 8	+ 1
End-of-month deposits (thousands)‡	$ 1,249,988	— 5	+ 7
Annual rate of deposit turnover	24.0	— 7	— 5
Employment (area)	466,800	+ 4	+ 7
Manufacturing employment (area)	92,600	+ 4	— 1
Percent unemployed (area)	5.9	+ 5	+ 13
IRVING (pop. 40,065[r])			
Building permits, less federal contracts	$ 1,013,047	+100	+ 11
Employment (area)	384,300	+ 9	+ 12
Manufacturing employment (area)	85,200	**	— 3
Percent unemployed (area)	4.4	+ 26	+ 10
JASPER (pop. 4,403)			
Retail sales			
Automotive stores	.....	— 20	+ 3
General merchandise stores	.....	— 57	+ 21
Postal receipts*	$ 6,062	— 30	+ 33
Bank debits (thousands)	$ 7,362	+ 7	+ 12
End-of-month deposits (thousands)‡	$ 7,155	— 6	+ 20
Annual rate of deposit turnover	120	+ 5	— 7
KILGORE (pop. 9,638)			
Postal receipts*	$ 13,373	— 27	+ 25
Building permits, less federal contracts	$ 50,879	+ 87	— 53
Bank debits (thousands)	$ 17,217	.....	+ 2
End-of-month deposits (thousands)‡	$ 14,922	.....	— 2
Employment (area)	27,400	+ 4	+ 8
Manufacturing employment (area)	4,680	— 4	+ 3
Percent unemployed (area)	4.7	+ 2	— 8
KILLEEN (pop. 21,076[r])			
Building permits, less federal contracts	$ 129,957	+ 80	— 3
Bank debits (thousands)	$ 8,716	— 1	+ 18
End-of-month deposits (thousands)‡	$ 7,108	+ 2	+ 7
Annual rate of deposit turnover	14.8	— 5	+ 8

For explanation of symbols, see page 23.

LOCAL BUSINESS CONDITIONS

City and item	Jan 1959	Percent Change: Jan 1958 from Dec 1958	Percent Change: Jan 1959 from Jan 1958
LAMESA (pop. 10,704)			
Retail sales			
Automotive stores	.....	— 18	+ 31
Postal receipts*	$ 11,554	— 31	+ 36
Building permits, less federal contracts	$ 337,211	+ 80	— 14
Bank debits (thousands)	$ 21,852	— 3	+ 13
End-of-month deposits (thousands)‡	$ 20,850	+ 7	+ 27
Annual rate of deposit turnover	13.0	— 7	— 8
LAMPASAS (pop. 4,869)			
Postal receipts*	$ 4,589	— 41	+ 61
Building permits, less federal contract	$ 52,920	— 12	+ 36
Bank debits (thousands)	$ 7,929	+ 29	+ 43
End-of-month deposits (thousands)‡	$ 6,769	**	+ 15
Annual rate of deposit turnover	14.0	+ 27	+ 27
LAREDO (pop. 59,350r)			
Postal receipts*	$ 27,925	— 31	+ 11
Building permits, less federal contracts	$ 347,700	+650	— 1
Bank debits (thousands)	$ 26,995	— 7	— 2
End-of-month deposits (thousands)‡	$ 21,796	— 2	+ 2
Annual rate of deposit turnover	14.6	— 6	— 6
LOCKHART (pop. 5,573)			
Building permits, less federal contracts	$ 13,200	+ 40	— 79
Bank debits (thousands)	$ 3,313	**	— 8
End-of-month deposits (thousands)‡	$ 4,289	+ 3	— 2
Annual rate of deposit turnover	9.4	+ 2	— 5
LONGVIEW (pop. 34,328r)			
Postal receipts*	$ 36,233	— 33	+ 33
Building permits, less federal contracts	$ 1,012,550	— 50	+ 51
Bank debits (thousands)	$ 43,979	+ 13	+ 8
End-of-month deposits (thousands)‡	$ 34,830	— 11	— 8
Annual rate of deposit turnover	14.3	+ 13	+ 13
Employment (area)	27,400	+ 4	+ 8
Manufacturing employment (area)	4,680	— 4	+ 3
Percent unemployed (area)	4.7	+ 2	— 8
LUBBOCK (pop. 134,156r)			
Retail sales	.....	— 31	+ 15
Apparel stores	.....	— 53	+ 12
Automotive stores	.....	+ 6	+ 38
Furniture and household appliance stores	.....	— 28	+ 10
Postal receipts*	$ 146,716	— 17	+ 33
Building permits, less federal contracts	$ 3,536,622	+ 22	+ 77
Bank debits (thousands)	$ 243,654	+ 6	+ 15
End-of-month deposits (thousands)‡	$ 128,998	— 3	+ 16
Annual rate of deposit turnover	22.3	**	+ 1
Employment (area)	49,700	+ 5	+ 10
Manufacturing employment (area)	5,125	+ 11	+ 14
LUFKIN (pop. 20,846r)			
Percent unemployed (area)	4.4	**	— 15
Postal receipts*	$ 19,256	— 14	+ 14
Building permits, less federal contracts	$ 198,860	— 18	+ 34
Bank debits (thousands)	$ 22,929	— 11	— 5
End-of-month deposits (thousands)‡	$ 24,288	— 5	+ 6
Annual rate of deposit turnover	11.0	— 11	— 15
McALLEN (pop. 25,326r)			
Postal receipts*	$ 25,496	— 17	+ 30
Building permits, less federal contracts	$ 897,790	+373	+107
Bank debits (thousands)	$ 25,840	— 3	+ 15
End-of-month deposits (thousands)‡	$ 20,052	— 5	**
Annual rate of deposit turnover	15.0	— 6	+ 14
McKINNEY (pop. 10,560)			
Building permits, less federal contracts	$ 128,375	+798	+ 28
Bank debits (thousands)	$ 8,837	+ 2	+ 5
End-of-month deposits (thousands)‡	$ 12,738	— 1	+ 2
Annual rate of deposit turnover	8.3	+ 1	+ 4
MARSHALL (pop. 25,479r)			
Retail sales			
General merchandise stores	.....	— 60	+ 15
Postal receipts*	$ 22,059	— 30	+ 9
Building permits, less federal contracts	$ 169,740	+ 25	— 41
Bank debits (thousands)	$ 17,915	+ 4	+ 9
End-of-month deposits (thousands)‡	$ 20,469	— 1	+ 1
Annual rate of deposit turnover	10.5	+ 3	+ 8
MERCEDES (pop. 10,081)			
Postal receipts*	$ 4,092	— 39	+ 5
Building permits, less federal contracts	$ 15,750	+154	— 11
Bank debits (thousands)	$ 5,823	— 2	+ 2
End-of-month deposits (thousands)‡	$ 4,452	— 2	— 4
Annual rate of deposit turnover	15.5	.....	+ 9
MONAHANS (pop. 6,311)			
Postal receipts*	$ 8,012	— 37	+ 34
Building permits, less federal contracts	$ 308,595	+ 25	+104
Bank debits (thousands)	$ 10,498	— 11	— 6
End-of-month deposits (thousands)‡	$ 8,808	+ 1	— 3
Annual rate of deposit turnover	14.3	— 14	— 3
NACOGDOCHES (pop. 12,327)			
Postal receipts*	$ 13,404	— 23	+ 32
Building permits, less federal contracts	$ 47,094	+102	+ 37
Bank debits (thousands)	$ 15,337	+ 9	+ 20
End-of-month deposits (thousands)‡	$ 15,273	— 3	+ 6
Annual rate of deposit turnover	11.9	+ 12	+ 12
NEW BRAUNFELS (pop. 12,210)			
Building permits, less federal contracts	$ 262,160	+418	+389
Bank debits (thousands)	$ 11,214	**	+ 14
End-of-month deposits (thousands)‡	$ 10,945	+ 14	+ 15
Annual rate of deposit turnover	13.1	+ 2	.....
ORANGE (pop. 21,174)			
Postal receipts*	$ 20,689	— 38	+ 24
Building permits, less federal contracts	$ 429,313	+ 43	+ 71
Bank debits (thousands)	$ 22,339	+ 2	+ 2
End-of-month deposits (thousands)‡	$ 20,832	**	— 9
Annual rate of deposit turnover	12.9	+ 3	+ 11
PARIS (pop. 24,551r)			
Retail sales	.....	— 15	+ 8
Apparel stores	.....	— 55	— 19
Automotive stores	.....	**	+ 15
Lumber, building material, and hardware stores	.....	+ 32	+ 34
Postal receipts*	$ 17,909	— 24	+ 29
Building permits, less federal contracts	$ 169,171	— 20	+ 87
Bank debits (thousands)	$ 17,516	+ 7	+ 4
End-of-month deposits (thousands)‡	$ 13,582	— 5	+ 4
Annual rate of deposit turnover	15.1	+ 9	+ 16
PHARR (pop. 8,690)			
Postal receipts*	$ 5,081	— 42	+ 24
Bank debits (thousands)	$ 5,521	+ 18	+ 37
End-of-month deposits (thousands)‡	$ 5,085	+ 7	+ 28
Annual rate of deposit turnover	13.4	+ 7	+ 4

For explanation of symbols, see page 23.

City and item	Jan 1959	Percent Change: Jan 1958 from Dec 1958	Percent Change: Jan 1959 from Jan 1958
PLAINVIEW (pop. 14,044)			
Retail sales	.....	— 28	+ 62
Apparel stores	.....	— 39	+ 13
Automotive stores	.....	— 24	+ 90
Postal receipts*	$ 17,233	— 45	+ 22
Building permits, less federal contracts	$ 220,700	+ 30	+166
PORT ARTHUR (pop. 82,150[u])			
Retail sales	.....	+ 24	— 20
Automotive stores	.....	— 3	— 37
Eating and drinking places	.....	+ 2	— 13
Food stores	.....	— 8	+ 3
Furniture and household appliance stores	.....	— 36	— 28
General merchandise stores	.....	— 45	— 15
Building permits, less federal contracts	$ 340,210	— 1	+ 10
Bank debits (thousands)	$ 68,463	+ 4	— 2
End-of-month deposits (thousands)‡	$ 46,105	— 4	— 5
Annual rate of deposit turnover	17.5	+ 4	— 2
Employment (area)	88,800	+ 4	+ 1
Manufacturing employment (area)	26,975	+ 2	— 5
Percent unemployed (area)	10.8	+ 14	+ 64
RAYMONDVILLE (pop. 9,136)			
Postal receipts*	$ 4,993	— 37	+ 7
Building permits, less federal contracts	$ 6,655	— 38	— 84
Bank debits (thousands)	$ 5,878	.....	+ 10
End-of-month deposits (thousands)‡	$ 8,385	.....	+ 14
ROCKDALE (pop. 4,550[r])			
Postal receipts*	$ 3,656	— 40	+ 36
Building permits, less federal contracts	$ 8,000	+108	+ 10
Bank debits (thousands)	$ 3,591	— 31	— 2
End-of-month deposits (thousands)‡	$ 5,472	+ 6	— 1
Annual rate of deposit turnover	8.1	.....	+ 1
SAN ANGELO (pop. 62,359[r])			
Retail sales	.....	— 36	+ 5
Lumber, building material, and hardware stores	.....	— 7	— 10
Postal receipts*	$ 56,849	— 40	+ 15
Building permits, less federal contracts	$ 361,624	+ 81	+ 74
Bank debits (thousands)	$ 53,723	**	**
End-of-month deposits (thousands)‡	$ 45,255	+ 3	+ 11
Annual rate of deposit turnover	14.4	— 3	— 7
Employment (area)	23,050	+ 3	+ 3
Manufacturing employment (area)	2,965	+ 6	+ 3
Percent unemployed (area)	6.8	+ 3	— 16
SAN ANTONIO (pop. 555,000[r])			
Retail sales	.....	— 19	+ 12
Apparel stores	.....	— 37	+ 9
Drug stores	.....	— 12	— 7
Eating and drinking places	.....	— 10	+ 3
Furniture and household appliance stores	.....	— 51	— 6
Gasoline and service stations	.....	+ 6	+ 20
General merchandise stores	.....	— 45	+ 15
Jewelry stores	.....	— 70	+ 24
Lumber, building material, and hardware stores	.....	— 6	+ 22
Postal receipts*	$ 621,722	— 19	.....
Building permits, less federal contracts	$ 4,746,611	+ 64	+ 57
Bank debits (thousands)	$ 586,731	— 7	+ 7
End-of-month deposits (thousands)‡	$ 387,242	— 3	+ 12
Annual rate of deposit turnover	17.9	— 7	— 5
Employment (area)	198,350	— 1	+ 7
Manufacturing employment (area)	23,965	+ 3	+ 11
Percent unemployed (area)	3.9	+ 34	— 13
SAN MARCOS (pop. 9,980)			
Postal receipts*	$ 10,011	— 36	+ 29
Building permits, less federal contracts	$ 28,520	+ 44	+ 29
Bank debits (thousands)	$ 7,440	— 2	+ 6
End-of-month deposits (thousands)‡	$ 8,759	+ 3	+ 15
Annual rate of deposit turnover	10.3	— 2	— 6
SEGUIN (pop. 14,000[r])			
Postal receipts*	$ 9,529	— 39	.....
Building permits, less federal contracts	$ 278,600	+176	+ 38
Bank debits (thousands)	$ 9,649	— 1	+ 9
End-of-month deposits (thousands)‡	$ 15,800	— 1	+ 8
Annual rate of deposit turnover	7.3	**	.....
SHERMAN (pop. 25,855[r])			
Retail sales	.....	— 14	+ 4
Apparrel stores	.....	— 56	— 5
Automotive stores	.....	+ 19	+ 2
Lumber, building material, and hardware stores	.....	+ 1	+ 41
Postal receipts*	$ 25,221	— 33	+ 24
Building permits, less federal contracts	$ 340,232	+ 67	+ 31
SLATON (pop. 5,036)			
Postal receipts'	$ 3,436	— 46	+ 34
Building permits, less federal contracts	$ 32,050	— 57	— 27
Bank debits (thousands)	$ 4,697	+ 1	+ 15
End-of-month deposits (thousands)‡	$ 5,904	+ 11	+ 22
Annual rate of deposit turnover	10.0	— 11	— 5
Employment (area)	49,700	+ 5	+ 10
Manufacturing employment (area)	5,125	+ 11	+ 14
Percent unemployed (area)	4.4	**	— 15
SNYDER (pop. 14,111[r])			
Postal receipts*	$ 15,895	.....	.....
Building permits, less federal contracts	$ 106,050	— 57	— 65
Bank debits (thousands)	$ 16,732	— 3	+ 2
End-of-month deposits (thousands)‡	$ 20,602	+ 3	+ 8
Annual rate of deposit turnover	9.9	— 5	— 6
SULPHUR SPRINGS (pop. 9,890[r])			
Postal receipts*	$ 7,614	— 35	+ 30
Building permits, less federal contracts	$ 27,400	+135	— 77
Bank debits (thousands)	$ 9,669	— 3	+ 10
End-of-month deposits (thousands)‡	$ 12,313	— 1	+ 4
Annual rate of deposit turnover	9.4	— 2	+ 6
SWEETWATER (pop. 13,619)			
Building permits, less federal contracts	$ 117,780	+331	+112
Bank debits (thousands)	$ 12,756	— 13	+ 9
End-of-month deposits (thousands)‡	$ 12,146	— 1	+ 6
Annual rate of deposit turnover	12.5	— 14	+ 5
TAYLOR (pop. 9,071)			
Retail sales			
Automotive stores	.....	— 25	— 8
Postal receipts*	$ 7,488	— 37	**
Building permits, less federal contracts	$ 19,625	— 62	— 73
Bank debits (thousands)	$ 8,490	+ 12	+ 11
End-of-month deposits (thousands)‡	$ 13,287	— 5	+ 9
Annual rate of deposit turnover	7.5	+ 14	+ 3

For explanation of symbols, see page 28.

LOCAL BUSINESS CONDITIONS

City and item		Jan 1959	Percent Change: Jan 1958 from Dec 1958	Percent Change: Jan 1959 from Jan 1958
TEMPLE (pop. 33,912[r])				
Retail sales		.....	— 39	+ 4
Apparel stores		.....	— 54	+ 27
Drug stores		.....	— 33	— 12
Furniture and household appliance stores		.....	— 40	— 2
Lumber, building material, and rardware stores		.....	— 31	— 8
Postal receipts*	$	31,100	— 33	+ 22
Building permits, less federal contracts	$	225,720	+ 26	— 33
Bank debits (thousands)	$	23,060	+ 11	+ 15
End-of-month deposits (thousands)‡	$	27,664	— 10	— 11
Annual rate of deposit turnover		9.5	+ 10	+ 23
TEXARKANA (pop. 31,051[r])				
Retail sales		.....	— 18	+ 24
Apparel stores		.....	— 67	— 4
Automotive stores		.....	+ 7	+ 33
Postal receipts*§	$	56,929	— 15	+ 29
Building permits, less federal contracts	$	417,165	+ 81	— 30
Bank debits (thousands)§	$	46,773	— 1	+ 10
End-of-month deposits (thousands)‡	$	17,379	+ 1	+ 10
Annual rate of deposit turnover§		15.2	— 1	+ 1
Employment (area)		28,950	— 10	— 6
Manufacturing employment (area)§		3,620	— 15	— 9
Percent unemployed (area)§		8.3	+ 19	— 31
TEXAS CITY (pop. 23,000[r])				
Retail sales				
Lumber, building material, and hardware rtores		.....	+ 1	+ 30
Postal receipts*	$	18,953	— 35	+ 21
Building permits, less federal contracts	$	747,913	+ 44	+ 13
Bank debits (thousands)	$	22,588	**	— 15
End-of-month deposits (thousands)‡	$	12,075	— 3	— 55
Annual rate of deposit turnover		22.1	— 1	+117
Employment (area)		49,050	+ 2	+ 2
Manufacturing employment (area)		10,935	**	— 4
Percent unemployed (area)		7.4	+ 6	+ 7
TYLER (pop. 49,443)				
Retail sales				
Automotive stores		.....	+ 22	+ 16
Postal receipts**	$	81,836	— 41	+ 22
Building permits, less federal contracts	$	889,800	— 37	— 8
Bank debits (thousands)	$	93,304	— 1	— 1
End-of-month deposits (thousands)‡	$	62,003	— 5	+ 4
Annual rate of deposit turnover		17.5	— 2	— 3

City and item		Jan 1959	Percent Change: Jan 1958 from Dec 1958	Percent Change: Jan 1959 from Jan 1958
VERNON (pop. 12,651)				
Postal receipts*	$	9,789	— 43	+ 21
Building permits, less federal contracts	$	94,142	+ 95	+151
Bank debits (thousands)	$	14,887	+ 4	.....
End-of-month deposits (thousands)‡	$	21,209	— 3	.....
Annual rate of deposit turnover		8.3	+ 4	.....
VICTORIA (pop. 49,164[r])				
Retail sales		.....	— 23	— 6
Lumber, building material, and hardware stores		.....	— 25	— 13
Postal receipts*	$	28,044	— 31	+ 13
Building permits, less federal contracts	$	221,535	— 36	— 39
WACO (pop. 101,824[r])				
Retail sales		.....	— 31	+ 17
Florists		.....	— 45	+ 5
Furniture and household appliance stores		.....	— 25	— 6
Postal receipts*	$	129,049	.....	+ 21
Building permits, less federal contracts	$	1,511,964	+ 15	+ 47
Bank debits (thousands)	$	109,116	+ 2	+ 9
End-of-month deposits (thousands)‡	$	71,309	— 6	+ 7
Annual rate of deposit turnover		17.9	+ 2	**
Employment (area)		46,850	— 3	— 1
Manufacturing employment (area)		9,780	+ 8	+ 7
Percent unemployed (area)		7.0	+ 40	+ 11
WICHITA FALLS (pop. 103,152[r])				
Retail sales		.....	— 30	+ 1
Automotive stores		.....	— 16	+ 1
Lumber, building material, and hardware stores		.....	— 52	— 2
Postal receipts*	$	103,280	.....	.....
Building permits, less federal contracts	$	1,217,323	+ 58	+298
Bank debits (thousands)	$	120,046	— 2	+ 9
End-of-month deposits (thousands)‡	$	110,084	— 9	+ 6
Annual rate of deposit turnover		12.5	— 2	+ 2
Employment (area)		39,800	+ 2	+ 5
Manufacturing employment (area)		3,580	— 1	— 2
Percent unemployed (area)		5.6	+ 27	— 5

* Postal receipts for Amarillo and Tyler are for calendar month. Other cities receipts are for the period January 10–February 6.

§Reported by the Bureau of Business and Economic Research, University of Houston, for Harris County.

‡ Money on deposit at the end of the month, but excludes deposits to the credit of banks.

§ Figures include Texarkana, Arkansas (pop. 19,733) and Texarkana, Texas (pop. 31,051).

[r]Revised for use by the Texas Highway Department.

[a]1950 Urbanized Census.

**** Change is less than one-half of one percent.**

BAROMETERS OF TEXAS BUSINESS

	Jan 1959	Dec 1958	Jan 1958
GENERAL BUSINESS ACTIVITY			
†Texas business activity, index	210	211	203
Miscellaneous freight carloadings in SW District, index	79	75	78
Ordinary life insurance sales, index	404	413	387
Wholesale prices in U. S., unadjusted index	119.5	119.2	118.9
Consumers' prices in U. S. unadjusted index	123.8	123.7	122.3
Income payments to individuals in U. S. (billions, at seasonally adjusted annual rate)	$ 362.3	$ 359.9	$ 348.8
Business failures (number)	34	51	34
TRADE			
Total retail sales, index	194*	195*	.....
Durable-goods stores	163*	163*	.....
Nondurable-goods stores	210*	211*	.....
Ratio of credit sales to net sales in department and apparel stores	67.6*	67.3*	67.6r
Ratio of collections to outstandings in department and apparel stores	38.9*	37.5*	38.3r
PRODUCTION			
Total electric power consumption, index	332*	324*	330
Industrial electric power consumption, index	341*	334*	352
Crude oil production, index	126*	124*	120
Crude oil runs to stills, index	147	142	135
Gasoline consumption, index	.....	183	178
Natural gas production, index	.....	192	183
Industrial production in U. S., index	143*	142	133
Southern pine production, index	.....	103	103
Cottonseed crushed, index	.....	143	127
Construction authorized, index	239*	147*	191
Residential building	308*	313*	218
Nonresidential building	167*	183*	150
Cement consumption	203	191	161
Cement shipments	208	197	163
Cement production	165	182	148
AGRICULTURE			
Prices received by farmers, unadjusted index, 1909–14=100	280	283	265
Prices paid by farmers in U. S., unadjusted index, 1909–14=100	298	295	290
Ratio of Texas farm prices received to U. S. prices paid by farmers	94	96r	91r
FINANCE			
Bank debits, index	251	251	241
Bank debits, U. S., index	220	216	211
Reporting member banks, Dallas Reserve District:			
§Loans (millions)	$ 2,732	$ 2,835	$ 2,463
§Loans and investments (millions)	$ 4,499	$ 4,620	$ 3,883
Adjusted demand deposits (millions)	$ 2,797	$ 2,899	$ 2,635
Revenue receipts of the State Comptroller (thousands)	$ 83,978	$104,388	$ 76,939
Federal Internal Revenue collections (thousands)	$237,741	$ 97,673	$245,399
LABOR			
Total nonagricultural employment (thousands)	2,405.3*	2,467.1r	2,390.8r
Total manufacturing employment (thousands)	475.5*	478.3r	486.9r
Durable-goods employment (thousands)	235.6*	227.6r	235.6r
Nondurable-goods employment (thousands)	250.5*	250.7r	251.3r
Total civilian labor force in 17 labor market areas (thousands)	2,070.8	2,016.2	.....
Employment in 17 labor market areas (thousands)	1,898.3	1,854.6	1,796.9
Manufacturing employment in 17 labor market areas (thousands)	359.4	354.8	361.7
Total unemployment in 17 labor market areas (thousands)	116.4	99.2	106.4
Percent of labor force unemployed in 17 labor market areas	5.6	4.9	.....

All figures are for Texas unless otherwise indicated. All indexes are based on the average months for 1947–49, except where indicated; all are adjusted for seasonal variation, except annual indexes.

Employment estimates have been adjusted to first quarter 1958 benchmarks and recoded according to the 1957 Standard Industrial Classification Code.

† Based on bank debits in 20 cities, adjusted for price level.
‡ Exclusive of loans to banks after deduction of valuation reserves.

¶ Figures are for wage and salary workers only. Other labor figures include proprietors, firm members, self-employed, independent contractors, unpaid family and private household workers.

*** Preliminary.**

r Revised.